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SAN FRANCISCO PORT COMMISSION

Rodney Fong, President
Stephanie Shakofsky, Vice President
Kimberly Brandon, Commissioner
Michael Hardeman, Commissioner
Ann Lazarus, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

AGENDA
TUESDAY, NOVEMBER 10, 2009
2:00 P.M. CLOSED SESSION
3:15 P.M. OPEN SESSION
PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

PLEASE NOTE THE TIME OF THE MEETING

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk.

If any materials related to an item on this agenda have been distributed to the Port Commission after distribution of the agenda packet, those materials are available for public inspection at the Port Commission Secretary's office located at Pier 1 during normal office hours.

1. **CALL TO ORDER / ROLL CALL**

2. **APPROVAL OF MINUTES** - October 27, 2009

3. **PUBLIC COMMENT ON EXECUTIVE SESSION**

4. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

      (1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED AND EXISTING LITIGATION MATTERS (DISCUSSION & ACTION ITEMS).

GOVERNMENT
DOCUMENTS DEPT

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a. Discuss anticipated litigation matter pursuant to Section (a) of California Government Code Section 54956.9 (b) and San Francisco Administrative Code Section 67.10(d):

Anticipated litigation: __1__ As defendant

- Discussion and approval of settlement of government tort claim filed by Michael Fine Art (tenant), wherein tenant alleges damages and loss of use of Pier 29 leasehold premises due to water intrusion. Proposed settlement of claim upon terms which include the Port waiving past rent due not to exceed $10,800, effective December 1, 2009, in exchange for tenant's full and final release of claims. (Discussion and action item.)

b. Discuss existing litigation matter pursuant to Section (a) of California Government Code Section 54956.9 (b) and San Francisco Administrative Code Section 67.10(d):

- City & County of San Francisco by and through its Port Commission vs. Great American Navigator Company, Inc., Superior Court for the State of California, County of San Francisco (Case No. CUD-09 631005). (Discussion and action item)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative.*

a. Property: Seventh Street Right-of-Way
Person Negotiating: Port: Susan Reynolds, Deputy Director, Real Estate
*Peninsula Corridor Joint Powers Board: Brian Fitzpatrick

Under Negotiations: _____Price ____Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding Port property located at Seventh Street.

b. Property: Pier 9
Person Negotiating: Port: Susan Reynolds, Deputy Director, Real Estate
*Pacific Marine Yacht Charters: Garrett O'Doherty

Under Negotiations: _____Price ____Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding Port property located at Pier 9.

5. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

C. Vote on whether to approve proposed settlement of litigation, Claim of Michael Fine Art (Also listed above, Executive Session Item No. A(1)a.)

6. ANNOUNCEMENTS

A. **Announcement of Prohibition of Sound Producing Devices During the Meeting**

Please be advised that the ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

B. **Announcement of Time Allotment For Public Comments**

Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

7. EXECUTIVE

A. Executive Director's Report

- U.S. Coast Guard/Marine Corps Accident – October 30, 2009
- Bay Bridge Closure/Ferry Operations – October 27 to November 1, 2009
- Dubai Star Oil Spill – October 30, 2009
- Start of Crab Season – November 15, 2009
- Port of San Francisco Drydocks to be Used for Suisun MARAD Fleet Clean-Up
- Approval of Exploratorium Project at the Board of Supervisors – November 3, 2009; at BCDC – December 3, 2009
- Northeast Embarcadero Study Presentation to the Planning Commission– November 12, 2009
- Commendation for Tina Olson, Deputy Director of Finance and Administration

8. CONSENT

A. Accept First Quarter Contracting Activity Report - Fiscal Year 2009/10 for the July 1, 2009 to September 30, 2009 Reporting Period.

B. Request approval to amend a contract with Forell/Elsesser Engineers Inc. for engineering services for the Pier 35 Substructure Repair project by $209,945 to $457,001, to provide detail engineering design and related work and bid and construction support services. (Resolution No. 09-68)

C. Request authorization to award to Bay Area Lightworks, Inc. Construction Contract No. 2735, Security Lighting at Pier 80 Project in an amount-not-to-exceed $928,806. (Resolution No. 09-71)

9. FINANCE AND ADMINISTRATION

A. Informational Presentation by the Controller's City Services Auditor on its Management Audit. (VERBAL REPORT)

B. Request approval of the Port's FY 2009-10 Employment Training Program funded through a $300,000 Board of Supervisors appropriation to the Port's FY 2009-10 budget. (Resolution No. 09-69)

10. ENGINEERING

A. Request approval of award of contract to KMD Architects & Pfau Long Architecture JV for Architectural and Engineering Services for the Pier 27 Cruise Ship Terminal in the amount not to exceed $2,419,440, and a ten percent contingency of $241,944 for future change orders or contract modifications and request approval of DPW's fees in the amount not to exceed $1,611,043, and a ten percent contingency of $161,104 for future changes or additional work. (Resolution No. 09-70)

B. Request authorization to award Construction Contract 2719R for Pier 45 Drainage Improvements to A&B Construction, Inc. in the amount not to exceed $1,394,400. (Resolution No. 09-72)

11. NEW BUSINESS

12. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that

public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

13. ADJOURNMENT

FORWARD CALENDAR (Targeted Commission meeting, subject to change)

- Informational presentation regarding proposed water taxi service at the Port of San Francisco (December 8, 2009)
- Informational update on National Park Service Study of Alcatraz Embarkation Alternatives (December 8, 2009)
- Request approval of First Amendment to Lease No. L-14282 with the San Francisco Bar Pilots Benevolent and Protection Association at Pier 9 (December 8, 2009)
- Request approval of the Stormwater Design Guidelines and Stormwater Ordinance (December 8, 2009)
- Request authorization to advertise for competitive bids for Contract No. 2736, Marine Structural Projects II, for repairs at Hyde Street Harbor and the Ferry Building North Plaza (December 8, 2009)
- Request approval to include the Port's waterfront parks projects in the second issuance of the 2008 Clean and Safe Neighborhood Parks Bond (December 8, 2009)
- Request approval of Third Amendment to and Mutual Termination of Lease No. L-12938 between the Port and Pacific Marine Yacht Charters, for premises located at Pier 9 (December 8, 2009)
- Request approval of a one-year interim license agreement, and approval to seek Board of Supervisors' approval of a 66-year lease/easement agreement and a 66-year right to use permit/agreement, between the Port and Peninsula Corridor Joint Powers Board, for use of property located along Seventh Street in the Mission Bay Redevelopment Area to support existing passenger rail uses for public purposes. (December 8, 2009)
- Election of Port Commission Officers (January 12, 2010)
- Informational presentation on the revisions to the Port's Building Code (January 12, 2010)
- Informational presentation of an outline for a possible Waterfront Arts Program, located at several sites along the entire length of the waterfront (Date to be determined)
- Informational presentation on the Revised Preferred Master Plan for Pier 70 and development solicitation process (Date to be determined)
- Request authorization to enter into an Exclusive Negotiation Agreement with Seawall Lot 337 Associates, LLC to explore a mixed-use development project at SWL 337 and Pier 48 (Date to be Determined)
- Request approval of the Port's Interim Leasing Policy for Historic Structures (Date to be determined)
- Request authorization to enter into a Memorandum of Understanding with the San Francisco Municipal Transportation Agency for the Port of San Francisco to relinquish its rights to cargo freight rail service north of Cesar Chavez along Illinois Street (Date to be determined)

COMMUNICATIONS TO THE PORT COMMISSION FROM OCTOBER 22 to NOVEMBER 5, 2009:

- From Gabriel Metcalf, Executive Director of SPUR, regarding Piero Patri Fellow in Urban design project entitled "Building the emBIKEadero Waterfront Bike Plan"
- From the Potrero Boosters Neighborhood Association, copy of their newsletter "The Potrero Community Voice"
- From San Francisco Bay Conservation and Development Commission, copy of their November 5, 2009 meeting agenda regarding a public hearing on the proposed San Francisco Waterfront Special Area Plan Amendment
- From Tom Radulovich, Executive Director of Livable City, regarding comments on the Northeast Embarcadero Study

DECEMBER 2009

CALENDAR OF UPCOMING PORT MEETINGS – OPEN TO THE PUBLIC

DATE	TIME	GROUP	LOCATION
Dec. 8	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com. Contact Amy Quesada at 274-0406. The Port Commission meetings can be viewed online at
http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=92
The Port Commission meetings are also broadcasted on the 2nd & 4th Thursday of the month at 9 p.m. on Comcast Cable Channel 26 or Astound Cable Channel 78 (formerly RCN Cable).

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Michael Nerney @ 274-0416 or michael.nerney@sfport.com

The Maritime Commerce Advisory Committee (MCAC) meets on a quarterly basis, on the third Thursday of the month, from 11:30 a.m. to 1:00 p.m. @ Pier 1. Contact Jim Maloney @ 274-0519 or jim.maloney@sfport.com

The Mission Bay Citizens Advisory Committee meets regularly on the second Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Catherine Reilly, Assistant Project Manager, Redevelopment Agency, @ 749-2516 or Catherine Reilly/REDEV/SFGOV@SFGOV

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a bi-monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Jonathan Stern @ 274-0545 or jonathan.stern@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Rincon Point-South Beach Citizens Advisory Committee meets on a quarterly basis, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Catherine Reilly, Assistant Project Manager, Redevelopment Agency, @ 749-2516 or Catherine.Reilly/REDEV/SFGOV@SFGOV

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david.beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the fourth Monday of the month at 6:30 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

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FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

PIER 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Wendy Proctor, Port's ADA Coordinator, at 274-0592, the Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Frank Darby by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at sotf@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Darby or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.

NOTICES

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

November 2, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Ann Lazarus
Hon. Michael Hardeman

FROM: Monique Moyer
Executive Director

SUBJECT: Accept First Quarter Contracting Activity Report - Fiscal Year 2009/10 for the July 1, 2009 to September 30, 2009 Reporting Period

DIRECTOR'S RECOMMENDATION: Informational Item – No Action Required

INTRODUCTION

The purpose of this report is to provide regular reporting of the Port's contracting activities as legally required by the City and County of San Francisco through its Administrative Code or based upon policies and practices adopted by the San Francisco Port Commission. Background information on these requirements is provided at the end of this report as Exhibit 1.

The discussion of this report includes a summary of: 1) 1st Quarter of Fiscal Year 2009-10 contracting activities; 2) projected upcoming contracting activities; and 3) Local 21 staffing changes. The 1st Quarter Reporting Period is July 1, 2009 through September 30, 2009.

SUMMARY

The San Francisco Human Rights Commission has established a 20% local business enterprise (LBE) subcontracting goal on all Port contracts. Based upon the nature of the Port being a maritime oriented facility, the contract work is often highly specialized. Therefore, it is not always possible to achieve this goal on every contract and there are some contracts where the Port is able to exceed the LBE subcontracting goal. However, the Port achieved 67.7% LBE subcontracting participation during this reporting period.

This Print Covers Calendar Item No. 8A

The Port not only supports local small businesses through the LBE subcontracting goal, but also provides opportunities for local small business growth through joint venture with prime consultants. As such, local business participation is even higher than the HRC subcontracting goal.

DISCUSSION

I. 1st Quarter, FY 2009/10 Contracting Activities:

The Port of San Francisco has met the 20% Local Business Enterprise (LBE) participation goal for its contracts with the participation level at 67.7% for this quarter.

Contract	Awarded to	Award Amount	LBE Amount	LBE %
As-Needed Engineering Services	URS/AGS JV	$1,500,000*	$300,000*	20%
As-Needed Fire Protection	Security Electric	$14,331	0	0
Emergency Elevator Repair Mod #2	Accent Elevator	$2,600	0	0
As-Needed CSOs				
Environmental (mod)	Weiss Associates	$14,619	$12,914	88.3%
Architect/Engineering	Creegan & D'Angelo	$9,000	0	0
Real Estate Economics	Bay Area Economics	$107,304	$102,094	95.1%
Environmental (mod)	Treadwell & Rollo	$6,000	0	0
Architect/Engineering	Creegan & D'Angelo	$15,995	0	0
TOTALS		**$169,849**	**$115,108**	**67.7%**

*Master Contract for As-Needed Engineering Services not counted as actual work has not been awarded.

<u>$200,000 As-Needed Contracting Authorization</u>

No as-needed contracts required approval to exceed the $200,000 Contract Service Order limit as established by Chapter 6.64 of the San Francisco Administrative Code.

II. Projected Contracting Activities for the Upcoming Year:

As-Needed Contracts (CSOs)	Description of Work	Port Project	Estimated Dollar Value of Work
Engineering	Cost Estimating Services	Pier 19 Roof Repair	$10,000
Engineering	RFP Specification Development	Port-wide CCTV/ACS	$100,000
Engineering	Design & Construction Support	Pier 35 Superstructure	$265,000
Engineering	Demolition of Condemned Piers Cost Estimate	Port-wide	$20,000
Engineering	Design Construction Support	Pier 45 Drainage	$50,000
Environmental	Technical Support	Wharf J-10	TBD
Real Estate Economics & Related Services	Transportation Planning	Jefferson Street Improvements	$5,000
Real Estate Economics & Related Services	Signage Graphics Design	Blue Greenway	$45,000

Formal Professional Services	Description of Work	Port Project	Estimated Dollar Value of Work
Security Services	CCTV/ACS Installation	Port-wide	$250,000 annually
As-Needed Contract	Environmental Consulting Services	Port-wide	$3,000,000
Marine Engineering	Demolition of Pier and Bay Trail Design	Pier 43 Bay Trail Link (GO Bond Project)	$800,000
Sole Source Design/Build	Shoreside Power	Cruise Terminal	$1,900,000

Construction Services	Description of Work	Port Project	Estimated Dollar Value of Work
Equipment Repairs & Maintenance	Elevators/ Escalators	Port-wide	$200,000
ADA Modifications	Ramp and restrooms	401 Terry Francois	$297,600
Drainage Improvements	Stormwater collection system	Pier 45 Drainage	$1,600,000

Marine Structural	Various structural repairs	Hyde St. Harbor & Jefferson Streets	$1,900,000
Shoreline Improvements & Protection	Demolish portions and restore shoreline	Mission Bay/Bayfront Park (GO Bond Project)	$2,063,000

General Services	Description of Work	Port Project	Estimated Dollar Value of Work
Security Services	Unarmed Guards	Port-wide	$250,000 annually
Information Technology	Computerized Maintenance Management System	Port-wide	$900,000 (total budget)
Information Technology	Upgrade of PROPworks system	Port-wide	$200,000

III. Local 21 Staffing Activity Changes for Fiscal Year 2009/10 – 1ST Quarter

Staffing Activity for Fiscal Year 09/10
1st Quarter, 7/1/09 – 9/30/09

Class/Title	Activities
1244 Sr. Personnel Analyst	Position vacated due to retirement; backfilled thru a permanent transfer effective 7/13/09.
1652 Sr. Accountant	Position vacated due to retirement; backfill not requested.
5382 Student Design Trainee III	Temp as-needed position vacated due to incumbent's appointment in an SEIU classification.

RECOMMENDATION

The attached report is submitted to meet the requirements stated in the report Background. Port Staff requests the Port Commission's acceptance of this report.

Prepared by: Norma Nelson, Contract Administrator
For: Tina Olson, Deputy Director, Finance & Administration

cc: Clerk, Board of Supervisors
Local 21, IFPTE Representative Ging Louie
Department of Public Works, Peg Divine
Human Rights Commission, Selormey Dzikunu

Exhibit 1: Report Background

EXHIBIT 1

BACKGROUND

The purpose of this report is to comply with legal and policy mandates for the City and County of San Francisco and Port Commission. These legal and policy requirements are primarily based upon the following:

1. "As-Needed" contracting requirements as promulgated by Section 6.64 of the San Francisco Administrative Code, Port Commission Resolution 03-50 and a Letter of Agreement with Local 21 International Federation of Professional and Technical Employees Association (IFPTE). (Effective April 2005, a $200,000 limit was imposed via City ordinance for use of as-needed contract services per each single public works project; not including general planning or non-construction related professional services such as real estate economics as-needed contracts.)

2. Local 21 Union for the IFPTE and the City and County of San Francisco Department of Public Works requested that the Port include the following additional information in the subject quarterly reports, as it applies to the use of as-needed professional service contracts:

   - Contracting activity for the current reporting period;
   - Anticipated contracting activity for the upcoming quarter; and
   - Estimated staffing numbers and projects related to the as-needed contract services.

3. San Francisco Administrative Code Section 14(b) requires all departments and contract awarding authorities to report to the Mayor on their progress in the preceding fiscal year toward the achievement of the LBE goals and their steps to ensure non-discrimination against MBEs (Minority Business Enterprises), WBEs (Women Business Enterprises) and OBEs (Local businesses other than MBE or WBE).

   The Port of San Francisco has been assigned by the San Francisco Human Rights Commission (HRC) an overall Disadvantaged Business Enterprise (DBE) or Local Business Enterprise (LBE) subcontracting participation goal of 20%. This means that 20% of all of the contracted work procured by the Port of San Francisco must be awarded to Local Business Enterprises or the contractor must have demonstrated a good faith effort to do so.

   In the award of leases, franchises, concessions, and other contracts not subject to the discount provisions of Administrative Code Section 14(b), contract awarding authorities such as the Port shall utilize the good faith effort steps to maximize opportunities for LBE participation, as deemed practicable to do so. At the minimum, contract awarding authorities should notify LBEs that are certified to perform the work contemplated in a contract and solicit their interest in the contract. These good faith effort steps are described in each solicitation for a Port

lease, franchise, concession and other contracts such as development agreements.

4. San Francisco Administrative Code Section 12B requires that all contracting agencies of the City, or any department thereof, acting for or on behalf of the City and County shall include in all contracts and property contracts executed or amended in any manner or as to any portion thereof, a provision obligating the contractor not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome, HIV status (AIDS/HIV status), weight, height, association with members of classes protected under this chapter or in retaliation for opposition to any practices forbidden under this chapter against any employee of, any City employee work with, or applicant for employment with such contractor and shall require such contractor to include a similar provision in all subcontracts executed or amended thereunder.

Definitions

1. *As-needed Professional Service Contracts* include professional service contracts procured on a request for qualifications basis to establish a pool of Master Agreements in which work is contracted under task orders or Contract Service Orders (CSOs), as needed to complete work required on an immediate basis that cannot otherwise be performed by existing City and County of San Francisco staff. The Port has twelve as-needed contracts that have a total authorized contracting capacity of $8,150,000.

2. *Professional Service Contracts* procured through a *formal* contracting process - contracts valued greater than $29,000.

3. *Professional Service Contracts* procured through an *informal* contracting process - contracts valued at less than $29,000.

4. *Construction Service Contracts*
   - public works/construction contract means a contract for the erection, construction, renovation, alteration, improvement, demolition, excavation, installation, or repair of any public building, structure, infrastructure, bridge, road, street, park, dam, tunnel, utility or similar public facility that is performed by or for the City.

5. *Information Technology Contracts*
   - acquisition of computer hardware, software, peripherals and appropriate network, consulting, maintenance, training and support services, as well as any successor contracts.

6. *General Services Contracts*
   - an agreement for those services that are not professional services. Examples of "general services" include: janitorial, security guard, pest control, parking lot attendants and landscaping services.

Other Contracting Activity
In addition to the above contracting activity, the Port has been engaged in a number of development agreements, leasing evaluations, renewals, and new leases.

Steps to Assure Non-Discrimination against MBEs, WBEs and OBEs
To assure that MBEs, WBEs and OBEs are not discriminated against in Port contracting opportunities, the Port has implemented the following standard procedures:

- Request information from the San Francisco Human Rights Commission as to the availability of MBEs, WBEs and OBEs certified as offering services required on Port projects. Such information includes availability statistics in percentages for MBEs, WBEs and OBEs. In addition, the Port has requested the MS Excel database of such certified firms to assure inclusion as project opportunities become available.
- Availability statistics in percentages are included in advertising for all formally procured contracts.
- Outreach through Minority, Women and Local media
- Direct mailing, faxing and e-mailing of procurement opportunity notices
- Identifying set-aside opportunities exclusively for Micro-LBE firms
- Working with Port staff to eliminate barriers to MBEs, WBEs and OBEs gaining access to Port contracting opportunities. Such barriers include qualifications based upon prior knowledge/experience on the project or past work with existing consultants.
- Hold prime consultants accountable for actions that impede the success of MBE, WBE and OBE firm's success on contracts such as the withholding of essential information required to perform subcontracted work by notifying the San Francisco Human Rights Commission to perform investigations, when deemed appropriate.

Steps to Assure Non-Discrimination in employment for all contracts and property contracts.

Pursuant to the 12B Ordinance, the San Francisco Human Rights Commission has promulgated rules and regulations for the implementation of the nondiscrimination provisions of 12B.

The various forms required as conditions of being awarded a goods/services/public works contract, development agreement, lease or concession are included in all advertisements for such contracts and incorporated into the finalized contract documents. The San Francisco Human Rights Commission actively participates in the selection process to assure compliance with these requirements and conducts investigations as deemed necessary to assure such compliance.

PORT OF SAN FRANCISCO

MEMORANDUM

November 3, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval to amend a contract with Forell/Elsesser Engineers Inc. for engineering services for the Pier 35 Substructure Repair project by $209,945 to $457,001, to provide detail engineering design and related work and bid and construction support services

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

BACKGROUND

Pursuant to Commission authorization (Resolution No. 07-65), staff executed a contract with Forrell/Elsesser Engineers Inc. (consultant) in the amount of $250,000, representing Phase 1 of three phased Pier 35 Substructure Repair Project. The Phase 1 work was completed under budget for $247,056 with a scope of services that included a detailed structural investigation and preliminary engineering design. The purpose of the detailed structural condition survey and investigation of the substructure was to determine and document the extent of deterioration in concrete piles, beams, girders and slab panels. In addition, the scope of services included a determination of whether or not a seismic upgrade is required by the Port's current building code; and if so, provide seismic criteria, conceptual design and cost estimates for seismic upgrade, along with conceptual repair alternatives and respective cost estimates for non-seismic repairs for substructure deck structural members and supporting piles.

The consultant scope of work for phases 2 and 3 of aforementioned contract were dependent upon the outcome of the Phase I work previously described, the anticipated future use of Pier 35 as the Port's primary Cruise Terminal and funding availability. At its August 14, 2007 meeting, staff advised the Port Commission that the contract would have to be amended at a later date and at that time staff would request authorization to amend the contract to add services and fees for Phases 2 and 3.

This Print Covers Calendar Item No. 8B

The attached resolution is seeking Port Commission approval to authorize Port Staff to amend the existing contract with the consultant to add services and fees to complete Phases 2 and 3. Staff received Civil Service Commission approval for these additional services at its meeting on November 2, 2009.

DISCUSSION

In 2007, a Cruise Terminal Advisory Panel appointed by the Port's Executive Director recommended Pier 27 as the most cost effective site for the Port's future primary Cruise Terminal. As such, a project to convert Pier 27 into a world class cruise terminal is currently underway. The construction work is scheduled to be completed by sometime in year 2013. Considering Pier 35 repair costs and the schedule to transition from the Pier 35 facility as the Port's primary Cruise Terminal to the newly developed Pier 27 site, staff is proposing to complete only those repairs deemed critical to continue operations of the Cruise Terminal at Pier 35 as a relatively safe structure.

Pier 35 currently serves as the Port's primary Cruise Terminal. The Pier 35 substructure consists of a reinforced concrete deck slab spanning between reinforced concrete girders that span over reinforced concrete piles. Due to marine environmental conditions that the facility has been exposed to over many decades, the substructure framing and supporting piles have become deteriorated and require maintenance repairs.

Based upon Phase 1 assessment findings and structural evaluation, the consultant developed gravity repair and rehabilitation concepts for the pier substructure considering two different time and structure deterioration dependent scenarios: 1) a minimum repair option targeting a 10-year repair design life and focused on the immediate repair and rehabilitation of highly deteriorated structural elements; and 2) a complete rehabilitation option designed to achieve a 50-year design life. The estimated construction cost of the limited Minimum Repair scheme targeting a 10-year design life is $6.9 million. The consultant considered a couple of options for 50-year design life gravity rehabilitation. The construction cost estimate for best repair option for 50-year design life is around $31 million. At this time the Port does not have the funds to pay for such extensive repairs.

In addition to the work performed by Forell/Elsesser Engineers Inc. in evaluating the substructure condition at Pier 35, Port staff utilized its as-needed engineering consultant contract to investigate the condition of the superstructure (building structure) at the site. As a result of that work, it was determined that critical repairs are required for the building structure as well as the substructure. These repairs involve the Pier 35 Shed Roof Truss and Column Supports. In addition, the shed needs to be fumigated to eliminate termites and other wood destroying organisms.

Proposed Contract Amendment Scope of Services

Based upon the Forell/Elsesser Engineers Inc. work performed during Phase 1, specifically their conclusion that Pier 35 requires significant repairs to support gravity loads, the Port requested that Forell/Elsesser provide a proposal to develop details to repair critical substructure elements for gravity loads to enable the pier's continued use for an additional 5 to 7 years.

The specific repairs to be performed as a part of this proposed contract amendment include marginal wharf, drive aisles and the main pier substructures deemed to be in critical or poor condition at various locations throughout the Pier 35 substructure. Some of the marginal wharf substructure that is deemed in fair condition is proposed for repair as well. The estimated cost for the above noted repairs including consultant fees is $2.5 million.

The consultant's remaining scope as proposed for contract amendment includes the following:

Phase 2: Final Engineering (Complete by March 2010)
This phase advances the chosen design to final signed bid documents. Services include preparing detailed engineering design, calculations, plans, specifications, construction quantities and cost estimate. Design submittals include 65%, 95%, 100% and Final Signed Bid Documents.

Phase 3: Bidding and Construction Support (Complete by October 2012)
This phase includes support from the consultant during bid and construction phases. Staff will manage both phases and provide full time construction management. The consultant will provide support as-needed to ensure the design intent is achieved. Services include responding to bid questions, preparation of bid addenda, responding to requests for information during construction, construction observation, and preparation of as-built plans.

The Project Manager and the Port's Chief Harbor Engineer will issue a notice to proceed prior to commencement of services for these two Phases of the contract. The contract contingency budget proposed by staff will allow the project to progress smoothly and stay on schedule in the event of any of the above required contract change orders. Use of the contingency budget will require a contract amendment as authorized in this recommended resolution.

FUNDING AND PROPOSED FEES
The entire project budget of $2.5 million is to be eventually funded by the Port's anticipated revenue bond proceeds. However, in the interim, the proposed contract amendment will be funded by the Capital Budget - Pier Repair Fund. Once the revenue bond funds become available, the funds needed for this contract amendment will be reimbursed to the Pier Repair Fund.

Proposed fees for the contract amendment are as follows:

$ 164,025	Phase 2: Detailed engineering design, final cost estimate and construction documents.
$ 45,920	Phase 3: Bid documents and construction support for the Project
$ 209,945	Total contract award for the above services
$ 20,995	Contingency @ 10%
$ 230,940	**Total Not-to-Exceed Amount of Contract Award Plus Contingency**

These fees are consistent with the fees quoted in the consultant's original proposal in response to the 2007 RFP where 10.5% of the estimated construction cost (subject to a maximum of $315,000) would be charged for these two phases of work.

Local Business Enterprise (LBE) Participation
The LBE subcontracting participation goal for this project was 20% as established by the San Francisco Human Rights Commission (HRC). As shown in the table attached as Exhibit 1, LBE subconsultant participation for all three phases is $92,559 ($58,7746+$33,785) which is 20.3% of total fee ($457,001), thus exceeding HRC goal.

RECOMMENDATION

Port staff request Port Commission approval to amend a contract with Forell/Elsesser Engineers Inc. for engineering services for the Pier 35 Substructure Repair project by $209,945 to $457,001, to provide detail engineering design work and bid and construction support services, and if needed for contingencies, by an additional $20,995 (10% of $209,945) through contract modification or change order for a total not to exceed amount of $230,940.

Prepared by: Norma Nelson, Contract Manager
Uday Prasad, Senior Civil Engineer

Prepared for: Ed Byrne, Chief Harbor Engineer
Tina Olson, Deputy Director of Finance & Administration

EXHIBIT 1 - LBE SUBCONTACTING PARTICIPATION

FEES	Phase 1 (Actual)	Phase 2	Phase 3	Total	LBE $	LBE %
Forell/Elsesser Engineers (Prime)	$59,539	$70,940	$22,200	$152,679		
Holmes & Cully Engineers, Inc. (Non-LBE Subconsultant)	$60,358	$70,885	$22,120	$153,363		
Applied Materials, Inc. (Non LBE Subconsultant)	$43,380			$43,380		
Treadwell & Rollo, Inc. (Non-LBE Subconsultant)	$15,020			$15,020		
Underwater Resources, Inc (LBE Subconsultant)	$52,374	$4,800	$1,600	$58,774	$58,774	12.9%
Lee Saylor Consulting, Inc. (LBE Subconsultant, Inc)	$16,385	$17,400	0	$33,785	$33,785	7.4%
Total	**$247,056**	**$164,025**	**$45,920**	**$457,001**	**$92,559**	**20.3%**

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 09-68

WHEREAS, the Port of San Francisco's primary Cruise Terminal, located at Pier 35 is in need of critical substructure repairs to facilitate continued use as a Cruise Terminal; and

WHEREAS, Port staff executed a contract with Forell/Elsesser Engineers, Inc. to provide engineering services for the Pier 35 Substructure Repair Project, including the performance of a detailed structural investigation and evaluation and preparation of a preliminary repair plan and cost estimates (Phase 1) pursuant to Port Commission authorization under Resolution Number 07-65; and

WHEREAS, the Port desires Forell/Elsesser Engineers, Inc. to provide a detailed engineering design, final cost estimate and construction documents for a construction bid (Phase 2) and support services during the bid and construction phase of the project (Phase 3); and

WHEREAS, Phases 2 and 3 were included in the RFP scope of work and consultant proposal for this contract; and

WHEREAS, the Civil Service Commission approved the Port Commission's request to contract out these additional services at its November 2, 2009 hearing and;

WHEREAS, the Port has allocated funding in its Capital Budget – Pier Repair Fund to pay for the proposed consulting services estimated to cost $209,945; and

WHEREAS, Forell/Elsesser Engineers, Inc. has made a project commitment of 20.3% for San Francisco Human Rights Commission Local Business Enterprise subconsultant participation; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes Port staff to amend the contract awarded to Forell/Elsesser Engineers, Inc. by increasing the amount of the contract by an amount not to exceed $209,945, for detailing engineering design and other related services (Phase 2) and construction and bid support (Phase 3); and be it further

RESOLVED, that the Port Commission authorizes Port staff to increase the contract amount, if needed for unanticipated contingencies, up to an additional $20,995 (10% of $209,945) through contract modification or change order for a total amendment of $230,940.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 10, 2009.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

November 4, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer M Moyer
Executive Director

SUBJECT: Request authorization to award to Bay Area Lightworks, Inc. Construction Contract No. 2735, Security Lighting at Pier 80 Project in an amount-not-to-exceed $928,806

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Introduction

Port staff requests that the Port Commission authorize the award of Construction Contract No. 2735, Security Lighting at Pier 80 Project, to Bay Area Lightworks Inc., lowest responsive, responsible bidder. This construction project scope includes replacing wall lighting and controls along the aprons of Sheds A and D and installing new high mast area lighting west of Sheds A and D and replacing 7 high mast luminaires.

Background

The Port Commission, at its meeting on July 14, 2009, authorized staff to advertise for bids for the Project (Port Commission Resolution 09-36). The Human Rights Commission staff recommended a Local Business Enterprise ("LBE") subcontracting goal of 22% for this contract.

The project scope includes replacing the existing light fixtures along the aprons of Sheds A and D with new energy efficient 175W metal halide HID (High Intensity Discharge) light fixtures and controls; installing high mast (80' high) luminaires with (6) 1,000W metal halide HID (High Intensity Discharge) lamps in the west side open areas of Sheds A and D; and replacing 7 high mast luminaires in the container yard. In addition to energy efficient lamps, all new high mast luminaires will be with lowering devices, enabling

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relamping and maintenance without big cranes. Both enhanced features will reduce cost of maintaining security/area lighting at Pier 80. Under the proposed contract, the contract amount shall cover all costs of labor, design, supervision, management, materials and equipment. The engineer's estimate for the project is $1,000,000.

On October 27, 2009, Port staff received eight bids for this project. Bay Area Lightworks Inc.'s total bid price is $928,806 and 7.1% lower than the engineer's estimate. Bay Area Lightworks Inc. base bid includes LBE subcontractor participation of 22.9%, which meets the HRC goal of 22%. In addition, Bay Area Lightworks is San Francisco certified LBE contractor that is allowed a 10% discount as stipulated under Section 14B.7 of the San Francisco Administrative Code. A summary of the bids is attached.

Funding

The project contract cost, and contingency is fully funded by Proposition 1B Grant Funds. The project is to be funded per the funding allocation shown in the table below:

Title	Amount
Contract Amount	$928,806
10% Project Contingency	$92,881
Total	$1,021,687

Schedule

The estimated project schedule is summarized below:

Milestone Activity	Date
Port Commission Award	November 10, 2009
Est. Notice to Proceed (NTP)	December 21, 2009
Est. Substantial Completion	May 20, 2010
Est. Final Completion	June 20, 2010

Summary

Port staff recommends that the Port Commission authorize the award of construction Contract No. 2735, Security Lighting at Pier 80 Project, to Bay Area Lightworks Inc., as the lowest responsive, responsible bidder, for a not-to-exceed amount of $928,806, and also authorize staff to increase the contract amount by 10% (or $92,881) through contract modification or change order to a total of $1,021,687, in the event of unanticipated contingencies. Staff also recommends that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: James J. Lee, Project Engineer
Mabal Bhat, Project Manager

For: Edward F. Byrne, Chief Harbor Engineer

PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-71

WHEREAS, the Port Commission authorized the advertisement of the construction contract No. 2735, Security Lighting at Pier 80 Project, for the installation of lighting and controls at Pier 80 at its meeting on July 14, 2009 (Resolution 09-26); and

WHEREAS, Port staff received eight bids on October 27, 2009 for Contract No. 2735; and

WHEREAS, Port Engineering staff reviewed the bids and determined that Bay Area Lightworks Inc. is the lowest responsive, responsible bidder; and

WHEREAS, Bay Area Lightworks Inc.'s total bid price is $928,806; and

WHEREAS, the contract will be funded from the Port's Proposition 1B Grant Funds; and

WHEREAS, the Human Rights Commission set a 22% subcontracting goal for local business enterprises (LBE's) and Bay Area Lightworks Inc.'s bid satisfies that goal; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes Port staff to award Construction Contract No. 2735, Security Lighting at Pier 80 Project, to Bay Area Lightworks Inc., the lowest responsive, responsible bidder, for the not-to-exceed amount of $928,806; and be it further

RESOLVED, that the Port Commission authorizes Port staff to increase the contract amount as necessary for unanticipated contingencies by up to an additional $92,881 (10% of $928,806) through contract modification or change order; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of Nov 10, 2009.

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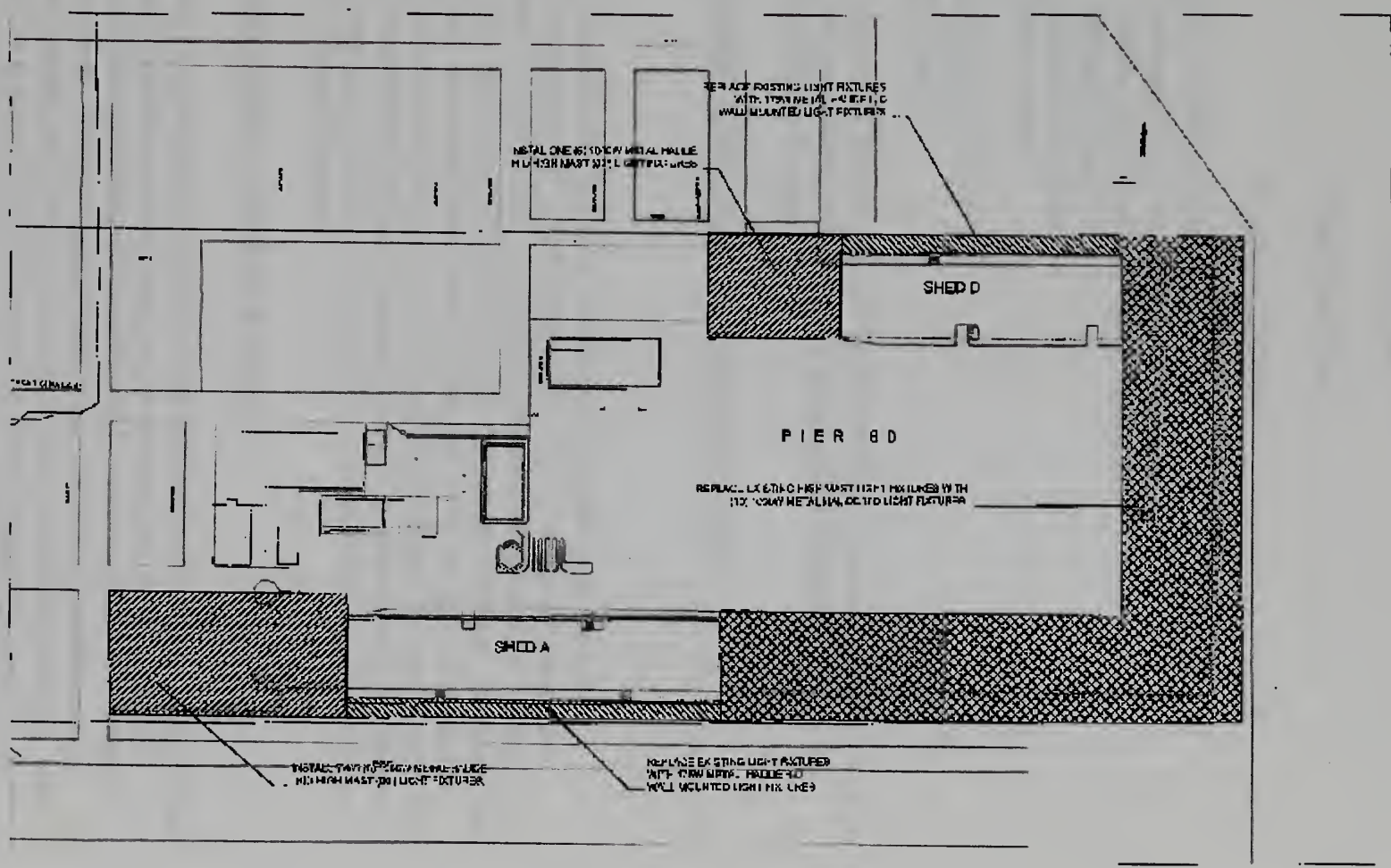
Secretary

BID SUMMARY
Contract No. 2735, Security Lighting at Pier 80

BID RANK	BIDDERS	CERTIFIED SF LBE?	Total Bid
1	BAY AREA LIGHTWORKS, INC. 1300 VAN DYKE AVE, SUITE B SAN FRANCISCO, CA 94124-3313	Y	$928,806.00
2	ROSENDIN ELECTRIC, INC. 880 N. MABURY ROAD SAN JOSE, CA 95133	N	$1,013,240.00
3	STEINY AND COMPANY, INC. 27 SHERIDAN ST. VALLEJO, CA 94590	N	$1,037,278.00
4	L C GENERAL ENGINEERING & CONSTRUCTION, INC. 1596 HUDSON AVENUE SAN FRANCISCO, CA 94124	Y	$1,041,069.97
5	BLEYCO, INC. 401 TERRY FRANCOIS BLVD, #122 SAN FRANCISCO, CA 94158-2133	N	$1,086,582.00
6	RELIANCE ENGINEERING INC. PIER 96 ADMIN BLDG SAN FRANCISCO, CA 94124	Y	$1,239,661.00
7	M.H. CONSTRUCTION MANAGEMENT CO. 1630 – 17TH STREET SAN FRANCISCO, CA 94107	Y	$1,429,211.00
8	TORRES CONSTRUCTION CORP. 7330 NORTH FIGUEROA STREET LOS ANGELES, CA 90041	N	$1,461,350.00

SITE PLAN

CONTRACT NO 2735, SECURITY LIGHTING AT PIER 80



PORT OF SAN FRANCISCO

MEMORANDUM

November 5, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval of the Port's FY 2009-10 Employment Training Program funded through a $300,000 Board of Supervisors appropriation to the Port's FY 2009-10 budget.

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Background

During the FY 2009-10 budget deliberations, the Board of Supervisors reduced $300,000 from the Port's proposed FY 2009-10 budget. The Board of Supervisors added the $300,000 back to the Port's FY 2009-10 budget for employment training programs and placed it on reserve pending submission of program details. As described below, we have developed an employment training program that we submitted to the Board of Supervisors' Finance and Budget Committee ("Committee") for review and for which the Committee released the funds on reserve for such purposes at its November 4, 2009 meeting. The purpose of this item is to seek Port Commission approval of the proposed Employment Training Program.

Proposed Port Employment Training Program

Based on the Port's needs for additional services, Port staff willing and able to supervise and mentor trainees, and available employment programs that we can reasonably implement in FY 2009-10, we are proposing the following enhancements to the Port's employment training program. These programs will serve a variety of low-income populations: low-income adults hired through the Department of Human Services, low-income college students, and young adults through the Port's existing employment program provided by the San Francisco Conservation Corps (SFCC).

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1. Hire seven low-income adults as Public Service Aides through the Department of Human Services (DHS) American Recovery and Reinvestment Act (ARRA) funded program, Jobs Now! wherein the federal government reimburses 80% of the employees' salaries for one year. We have identified the following seven (7) positions for Jobs Now! training placements at the Port:

   - One Public Service Aide to assist the Port's Storekeeper with inventory management.

   - One Public Service Aide to assist the Port's Business Services Division including receptionist, deliveries, fleet management, and meeting room management.

   - Two Public Service Aides to assist the Port's Maintenance Division managers with a variety of functions.

   - One Public Service Aide to provide administrative support to the Port's Contracts Manager.

   - Two Public Service Aides to help manage and enforce the Port's Street Performer Program in the Fisherman's Wharf area.

   All of these Public Service Aides will be closely supervised by Port staff to ensure they are gaining the skills necessary to enable them to compete for similar positions after they complete this one-year training program. None of the duties that these positions will fulfill would otherwise be undertaken by existing Port staff.

   We estimate that using the Jobs Now! program, these seven Public Service Aides will cost the Port approximately $35,739 (representing the Port's 20% share of cost). DHS's Jobs Now! Program requires applicants to be San Francisco residents.

2. Hire seven (7) part-time college interns for the following divisions/programs:

   - Human Resources intern to help update the Port's Personnel Policies and Procedures manual.

   - Library Studies intern to develop a library of the Port's photos and presentations.

   - Information Systems intern to assist the Port's Information Technology Division with database development and management.

   - Planning intern to assist with developing conceptual designs and other visual aides for the Port's Planning Division.

   - Environmental Compliance intern to assist with monitoring and documentation of stormwater management and other environmental compliance.

- Civil Engineering intern to assist Port's project managers with AutoCad drafting and site inspections.

- Emergency Planning intern to help update the Port's Emergency Response Plan.

To target low-income San Francisco students, we will work with career centers and student organizations from San Francisco colleges and universities to target students who are San Francisco residents and/or whose families are San Francisco residents and are financial aid recipients. We estimate that the seven college interns will cost approximately $166,492.

3. Amend the Port's contract with the San Francisco Conservation Corps (SFCC) by $100,000 or a 50% increase for FY 2009-10 to provide additional landscape maintenance services on Port property with an emphasis on the Port's southern waterfront property. The $100,000 will fund five (5) additional SFCC trainees and one supervisor. SFCC does extensive outreach to San Francisco Community Based Organizations (CBOs) to identify low-income San Francisco residents to enroll in their programs.

Summary

We have developed an employment training program that meets the Board of Supervisors' objectives of providing employment opportunities to needy San Franciscans and leveraging federal funding. While these programs benefit low-income San Franciscans, they will also serve the Port's interests by providing a variety of much needed services to the Port that will assist the Port in its efforts to manage and maintain the Port's property. We recommend the Port Commission approve the proposed training program.

Prepared by: Tina Olson, Deputy Director
Finance and Administration

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-69

WHEREAS, The San Francisco Board of Supervisors reduced the Port's proposed FY 2009-10 budget by $300,000 in miscellaneous line items and simultaneously added that $300,000 back to the Port's FY 2009-10 budget for an Employment Training Program; and

WHEREAS, The Burton Act transferred control of the Port of San Francisco to the City, to be operated by and through the San Francisco Port Commission and the City holds the property in public trust for the people of the State of California; and

WHEREAS, Port staff have developed an Employment Training Program that assists the Port in managing and maintaining the Port's property that meets the Port's public trust mission; and

WHEREAS, The Employment Training Program includes hiring: (1) seven low-income adults as Public Service Aides through the Department of Human Services, (2) seven college interns, and (3) increasing the Port's contract with the San Francisco Conservation Corps by $100,000 to provide additional landscape maintenance services on the Port's southern waterfront property; and

WHEREAS, The Employment Training Program will provide low-income adults and students with valuable job training experience; and

WHEREAS, Port staff submitted the Employment Training Program to the San Francisco Board of Supervisors Finance and Budget Committee ("Committee") for review and approval; and

WHEREAS, On November 4, 2009 the Committee approved the Port's Employment Training Program; now, therefore, be it

RESOLVED, The Port Commission approves the Port's FY 2009-10 Employment Training Program funded through a Board of Supervisors add-back to the Port's budget of $300,000.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 10, 2009.

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Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

November 4, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval of award of contract to KMD Architects & Pfau Long Architecture JV for Architectural and Engineering Services for the Pier 27 Cruise Ship Terminal in the amount not to exceed $2,419,440, and a ten percent contingency of $241,944 for future change orders or contract modifications and Request approval of DPW's fees in the amount not to exceed $1,611,043, and a ten percent contingency of $161,104 for future changes or additional work.

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

INTRODUCTION

Port Commission Resolution No. 09-33 authorized Port staff to enter into a Memorandum of Understanding ("MOU") with the San Francisco Department of Public Works ("DPW") for the Pier 27 Cruise Terminal (the "Project") Project Management, Architectural and Engineering Services for the Program Phases from Project Development through completion of Schematic Design. The MOU had an estimated value of $3,405,600 for these services. Pursuant to the resolution, in July 2009 DPW staff issued a Request for Qualifications ("RFQ"), soliciting professional Architectural and Engineering services with specialized Cruise Terminal Design Consultant ("Cruise Consultant") experience to provide comprehensive programming, planning, architectural, engineering and related services for the Project. The RFQ included a Local Business Enterprise ("LBE") participation goal of 15%. Port and DPW Staff have evaluated the RFQ responses, completed a competitive selection process, and now recommend the contract award to KMD Architects & Pfau Long Architecture JV. This contract, if awarded, includes LBE participation of 44% of the total contract value.

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Port and DPW staff negotiated a contract with the Cruise Consultant in the amount of $2,419,440 and recommend an additional 10% contingency for unforeseen conditions, potential Port initiated scope changes and regulatory agency/Port requirements that may not be anticipated at this time.

The award of this contract includes (3) major phases: Programming, Concept Design and Schematic Design. These (3) phases combined represent 25% of the total design effort needed to implement the Project. The remaining scope will include Design Development, Trade Pre-Qualification & Bidding Services, Construction Documents, Construction Administration, and Warranty Services.

Design services will be performed by a combined effort of DPW and consultant services. The Port staff negotiated a cost for DPW's services (including design services for the Northeast Wharf Plaza and Cruise Terminal, environmental impact report ("EIR"), Project Management, Site Surveys, Assessments, subconsultants, etc.) for $1,611,043 and recommend an additional 10% contingency for unforeseen conditions, potential Port initiated scope changes and regulatory agency/Port requirements that may not be anticipated at this time. The total combined services for DPW and the KMD Architects & Pfau Long Architecture JV including 10% contingency is $4,433,531. This is greater than the estimated value of $3,405,600 for the original MOU approved by the Port Commission on June 3, 2009. This amount increased due to:

(i) an increase in scope requested by the Port for inspection and repair of below pier piles and deck work; and
(ii) assignment to DPW of the responsibility for the EIR; and
(iii) inclusion of 10% contingency on the additional scope.

At the end of the Concept Design, KMD/Pfau Long will have prepared (3) different design options, each with a different budget and design performance provided by Port staff, as described in more detail below. Port staff will present the options to the Port Commission and seek approval to select a preferred design option before advancing to one option for Schematic Design.

At the end of Schematic Design, Port staff will negotiate the scope of the remaining design services with selected consultant KMD Architects & Pfau Long Architecture JV and DPW; and will bring a recommendation to modify the contract to the Port Commission.

BACKGROUND

In September 2007, Mayor Newsom's Blue Ribbon Cruise Terminal Advisory Panel recommended that the Port of San Francisco develop a new, primary cruise terminal to meet the increased demand for cruise ships and enhance San Francisco's reputation as a world class, waterfront city and tourist destination. Pier 27 was selected to be the primary cruise terminal site because it represented the most cost-effective and operationally-efficient location on the San Francisco waterfront. The Port intends to transform the existing Pier 27 shed into a vibrant year-round Cruise Terminal that will meet the evolved security

and passenger handling demands of the cruise industry while also being configured to allow special event uses when not occupied for cruise purposes.

The Port is committed to excellent public architecture, and requires the participation of professional design firms with a demonstrated record of excellence, which has resulted in designs representing the mission and vision of their clients. Per the Cruise Terminal Advisory Panel's recommendation, the Port's goal is to develop a world-class home port cruise terminal that reflects the values of San Francisco residents and the city's leadership, meets international cruise terminal standards for mega-cruise vessels and meets community and regulatory requirements, including the Port's commitment to the stewardship of waterfront historic resources within the Embarcadero Historic District.

In February 2009, the Port completed the Pier 27 Cruise Terminal Conceptual Site Planning Study. The study looked at several alternatives and provided high-level, conceptual planning information and analysis to transform the existing pier and maritime shed of approximately 178,100 square feet for use as a primary, single-berth cruise terminal. The Port has reviewed and evaluated these alternative studies and is moving the project forward based on certain elements of several schemes.

The Pier 27 Cruise terminal will be required to achieve a level of environmental performance in compliance with a LEED Certification level to be determined during the initial Programming and Conceptual Design Phase. In addition, the project will be required to meet the City's green building design principles.

PROPOSED CONTRACT SCOPE OF SERVICES

The Cruise Consultant will work as a consultant to DPW to provide comprehensive programming, planning, architectural, engineering, and related services. The required work scope responsibilities will include, but not necessarily be limited to:

(a) Responsible Architect/Engineer of Record for Cruise Consultant portions of the work which include the preparation of construction documents and technical specifications.

(b) Provide peer review of DPW planning and design services for each phase of the project.

(c) Hydrodynamic simulation studies, cruise ship maneuvering and berthing simulations, and arrivals due to wind and current conditions and mitigations analysis;

(d) Design criteria for all vehicular circulation between the City street system and the terminal, and the passenger and materials handling areas necessary for the conversion of the existing building's landside and waterside interface;

(e) Planning, programming and comprehensive architectural design and engineering including, but not limited to:

1. Provide three (3) levels of conceptual design programs and cost estimates. The total duration for the Programming and Concept Phases is approximately six (6) months. (Estimated completion by: June 2010)

   The programs will include Northeast Wharf Plaza, renovation of the existing maritime shed, exterior interface for landside and waterside cruise terminal operations, passenger and materials handling connections and equipment, ticketing and baggage handling area and fixed equipment; communication and security systems, customs and border patrol, retail, shared event space, etc.

   The base level of program will include basic site improvements and a fundamental level of cruise terminal functionality for a 3,200 passenger level.

   The intermediate level of program will include a higher level of site improvements, improved cruise terminal functionality for a 3,200 passenger level; core and shell build-out for retail, and additional finished areas that could be used for special events. (Note: All the Cruise Consultant and DPW's Design Fees are based on this intermediate level of program).

   The third level of program will include features of the intermediate level, but scaled up for a 4,400 passenger level representative of future cruise ships' capabilities.

   The results of the conceptual design programs and cost estimates will be presented to the Port for selection of the elements for one scheme that will be developed through to the end of Schematic Design.

2. Provide Schematic Design and cost estimate based on a Port approved conceptual design. The total duration of the Schematic Design is five (5) months. (Estimated completion by: December 2010)

Following the completion of Schematic Design, most of the architecture and engineering work will be executed by DPW architects and engineers. These following services will be subject to a future Port Commission Resolution:

3. Provide Design Development per assigned scope responsibilities.

4. Provide Trade Pre-Qualification & Bidding Services per assigned scope responsibilities.

5. Provide Construction Documents per assigned scope responsibilities.

6. Provide Construction Administration per assigned scope responsibilities.

7. Provide Warranty Services per assigned scope responsibilities.

DISCUSSION

The following is an overview of the selection process, the recommended consulting firm, Local Business Enterprise ("LBE") participation and proposed fees.

Selection Process

The Request for Qualifications ("RFQ") was issued on July 8, 2009. The List of RFQ holders indicated 144 companies received the RFQ.

On August 17, 2009, the DPW received nine proposals in response to the RFQ. One was judged to be technically non-responsive. DPW's HRC Contract Compliance Officer verified that each firm responding to the RFQ demonstrated a commitment to meet the 15% LBE sub consulting goal prior to proposals being distributed to the selection panel for review and scoring.

Selection Panel

A five-member evaluation committee was composed of one Port staff member (Project Manager), one DPW staff member (Project Manager), one representative of Cruise Terminal Management, one independent architect and one DPW Parks and Recreation Project Manager.

Evaluation Criteria

The evaluation criteria for written proposals included:

- Teamwork capabilities
- Prime Cruise Consultant management capabilities
- Prime Cruise Consultant design capabilities
- Capabilities of sub-consultants
- Integration of LBE firms
- HRC rating bonus

Four firms were selected to attend interviews based on scoring of their written proposals.

Additional evaluation factors considered during the interviews included:

1. Quality and clarity of the project/team presentation;
2. Demonstration of understanding key contextual issues for the design and operation of the cruise terminal on the Pier 27 site;
3. Demonstration of understanding of competing requirements of users on the multi-use development project;
4. Description of driving principals for achieving design excellence on the project; and
5. Understanding the risks and opportunities as a public maritime transportation project and how the team would address them.

Attachment No. 1 summarizes the actual scores from the evaluation process. The written proposal phase and the interview phase scores were combined to determine the final ranking as follows:

Final Ranking	Name of Prime
1	KMD Architects & Pfau Long Architecture JV
2	Perkins and Will
3	Skidmore Owings & Merrill
4	Post, Buckley, Schuh & Jernigan, Inc & Mark Cavagnero Associates, JV

On September 9, 2009, DPW advised KMD/Pfau and Long Architecture that they were the highest ranked firm from the RFQ Process. During the seven-day protest period, there were no protests concerning the proposed contract award. Staff initiated negotiations with the top-ranked firm, KMD Architects & Pfau Long Architecture JV. Upon Port Commission approval, DPW staff will proceed promptly to finalize and execute the contract, thus allowing the project to commence on schedule.

Company Information for the Recommended Firm: KMD Architects & Pfau Long Architecture JV

The joint venture of Kaplan/McLaughlin/Diaz Architects (KMD) and Pfau Long Architecture, Ltd., in partnership with its Cruise Terminal Special Design Consultant – Bermello, Ajamil & Partners, Inc. (B&A), combine KMD's extensive experience developing large scale civic projects (both globally and in San Francisco) with Pfau Long Architects' execution of San Francisco's most successful community responsive architecture together with B&A's expertise as the world's top Cruise Terminal Planner and Operations Expert.

FUNDING AND PROPOSED FEES:

Proposed fees for the contract are as follows:

	DPW	**Cruise Consultant**	**Total**
Program, Concept & Schematic Design Phases	$1,611,043	$2,419,440	$4,030,483
Contingency (10%)	$161,104	$241,944	$403,048
Total	$1,772,147	$2,661,384	$4,433,531

Funding for the project for the Program Phases from Project Development through completion of Schematic Design will come from a combination of the Port's current FY 2009-2010 capital budget and proceeds of Port revenue bonds expected to be issued in January 2010.

Local Business Enterprise (LBE) Participation

The LBE participation goal for this project is 15% as established by the San Francisco Human Rights Commission (HRC). As a result of negotiations with KMD Architects & Pfau Long Architecture JV the LBE participation goal will be 44%. Attachment No. 2 summarizes the LBE participation.

Cruise Terminal Design Steering Committee

The Port is in the process of setting up a Cruise Terminal Design Steering Committee ("Steering Committee") to establish decisions that may impact the Cruise Terminal building or the Northeast Wharf Plaza design. The Port's Executive Director has invited one representative from each of the following organizations to participate in the proposed Committee, which has been slightly amended since it was last presented to the Port Commission:

1. Port's cruise agent, Metro Stevedore Company
2. San Francisco Convention and Visitor's Bureau
3. Port's Maritime Division
4. Port's Planning and Development Division
5. Port's Finance and Administration Division
6. Port's Chief Harbor Engineer
7. San Francisco Bay Conservation and Development Commission (BCDC)
8. San Francisco Historic Preservation Community
9. Business Community At Large
10. Architect At Large
11. Three Neighborhood Representatives
12. International Longshore and Warehouse Union Representative
13. Port Commission Member

The Steering Committee will meet on an as-needed basis to review the progress of the Project and make decisions needed to advance the Project. The first meeting is planned for the first quarter of 2010 when the conceptual design is well underway.

Public Outreach

The Port working with San Francisco Bay Conservation and Development Commission ("BCDC") staff will provide a series of opportunities to help shape and review a concept design for the cruise terminal and the Northeast Wharf Plaza. Following the design team's initial site evaluation, there will be a public workshop in the spring of 2010 to review and comment on concept alternatives. The alternatives will then be reviewed at a public hearing of the BCDC Design Review Board and the Waterfront Design Advisory Committee. A second public workshop and design review hearing will follow to review a concept design. As is the Port's customary practice, the concept will also be presented to waterfront advisory groups, interested neighborhood and civic groups, and at informational hearings before the Port Commission prior to the Port Commission being asked to consider selecting a concept design.

RECOMMENDATION:

Port staff request Port Commission authorization of the following:

1) To award the subject contract to KMD Architects & Pfau Long Architecture JV in the amount not to exceed $2,419,440, and seek additional authorization for a ten

percent contingency in the amount of $241,944, in the event of necessary change orders as described herein; for a total contract authorization of $2,661,384.

2) To approve DPW's fees in the amount not to exceed $1,611,043, and seek additional authorization for a ten percent contingency in the amount of $161,104, for future changes or additional work for a total authorization of $1,772,147.

Prepared by: Kim von Blohn, Port Project Director
Valerie O'Donnell, DPW Project Manager

Prepared for: Ed Byrne, Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09- 70

WHEREAS, The Port intends to transform the existing Pier 27 shed into a vibrant year-round Cruise Terminal that will meet the evolved security and passenger handling demands of the cruise industry while also being configured to allow special event uses when not occupied for cruise purposes; and

WHEREAS, The Port Commission Resolution No. 09-33 authorized Port staff to enter into a Memorandum of Understanding ("MOU") with the San Francisco Department of Public Works (DPW) for the Pier 27 Cruise Terminal (the "Project") Project Management, Architectural and Engineering Services for the Program Phases from Project Development through completion of Schematic Design; and

WHEREAS, Pursuant to the resolution, DPW staff in July 2009 issued a Request for Qualifications ("RFQ"), soliciting services of a firm for work as a consultant to DPW in the capacity of Cruise Terminal Design Consultant ("Cruise Consultant") to provide comprehensive programming, planning, architectural, engineering and related services for the Project; and

WHEREAS, On August 17, 2009, DPW received nine (9) proposals in response to the RFQ, one of which was judged to be technically non-responsive and eight of which demonstrated a commitment to meet the 15% LBE subconsulting goal; and

WHEREAS, After evaluation of written proposals and interviews, KMD Architects & Pfau Long Architecture JV scored as the top-ranked responsible firm responsive to the RFQ criteria; and

WHEREAS, The Port Commission has allocated funding of $3,405,600 in the MOU for the project for the Program Phases from Project Development through completion of Schematic Design. The negotiated costs, including Port scope changes are $1,611,043 and $2,419,440 for DPW and the Cruise Consultant respectively for a total of $4,030,483. The total cost including a 10% contingency for unforeseen or additional scope is $4,433,531; and

WHERAS, Funding for the project for the Program Phases from Project Development through completion of Schematic Design will come from a combination of the Port's current FY 2009-2010 capital budget and Port revenue bonds expected to be issued in January 2010; and

WHEREAS, In its negotiated agreement, KMD Architects & Pfau Long Architecture JV has made a commitment to achieve a Local Business Enterprise sub-consultant participation goal of 44% which exceeds the goal of 15% set by the Human Rights Commission; and

WHEREAS, Port staff recommend award of the contract for architectural and engineering services of the Pier 27 Cruise Terminal to KMD Architects & Pfau Long Architecture JV; now, therefore be it

RESOLVED, That the Port Commission hereby authorizes award of the contract to KMD Architects & Pfau Long Architecture JV for Architectural and Engineering Services for the Pier 27 Cruise Ship Terminal, in the amount not to exceed $2,419,440; and be it further

RESOLVED, That the Port Commission authorizes Port staff to increase the contract amount through change order or contract modification, as necessary for unanticipated contingencies, by an additional sum up to $241,944 (10% of $2,419,440) for a total contract amount not to exceed $2,661,384; and be it further

RESOLVED, That the Port Commission hereby authorizes DPW's fees in the amount not to exceed $1,611,043, and authorizes Port staff to increase DPW's fees as necessary for unanticipated contingencies, by an additional sum up to $161,104 (10% of $1,611,043) for a total amount not to exceed $1,772,147; and be it further

RESOLVED, That the Port Commission authorizes Port staff to execute necessary contract documents for such purpose.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 10, 2009.

_____
Secretary

ATTACHMENT No.1

City and County of San Francisco

Gavin Newsom
Mayor

Human Rights Commission

Contract Compliance
Dispute Resolution/Fair Housing
San Francisco Local Business Enterprise
Lesbian Gay Bisexual Transgender & HIV Discrimination

Theresa Sparks
Executive Director

MEMORANDUM

Date: September 9, 2009

To: Edgar A. Lopez, Manager
Bureau of Project Management

From: Gary C. Wong, Contract Compliance Officer

RE: Final Scores of the Written Proposals and Oral Interviews
RFQ - New Cruise Ship Terminal at Pier 27

Human Rights Commission (HRC) has reviewed the Department of Public Works' final scores and rankings of the four firms on the score sheet dated September 8, 2009 of the above reference RFQ.

The score sheet listed the written and oral interview's scores with the 7.5 rating bonus applicable to two Joint Venture (JV) firms on each stage of the selection process: KMD Architects & Pfau Long Architecture (JV) and Post, Buckley, Schuh, & Jernigan, Inc. & Mark Cavagnero Associates (JV).

The RFQ stated that the written and oral interview scores are combined to determine the highest ranked scorer.

The scores and rankings are as follows:

	Written Scores	Oral Scores	Combined Scores
1. KMD Architects & Pfau Long Architecture, JV	470.6 pts	467.6 pts	938.2 pts
2. Perkins + Will	441.6 pts	452 pts	893.6 pts
3. Skidmore Owings & Merrill	447.4 pts	432 pts	879.4 pts
4. Post, Buckley, Schuh, & Jernigan, Inc & Mark Cavagnero Associates, JV	416.67 pts	400.9 pts	817.5 pts

Based on the above scores, HRC has confirmed that KMD Architects & Pfau Long Architecture, JV partners as the highest ranked scorer. Should there be any revisions regarding the scores, rankings, and selection of another firm, please contact HRC for consultation.

gcw:rfqcruiseterminal27combo.1

Encls: score sheet 9/08/09

C: Veronica Ng, HRC
Romulus Asenloo, HRC

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ATTACHMENT No. 2

FEE PROPOSAL - SUMMARY

OVERALL PROJECT FEE SUMMARY - PROGRAMMING, CONCEPT AND SCHEMATIC DESIGN ONLY

Firm	Fee %	LBE
Concept & Schematic Design		
ARCHITECTURE		
KMD + PLA Joint Venture	28.90%	
KMD Architects	17.21%	N
Pfau Long Architecture, Ltd.	11.69%	Y
CRUISE TERMINAL SPECIALIST		
Burmello Ajamil	17.13%	N
STRUCTURAL ENGINEER		
SOHA	9.60%	Y
MARINE ENGINEER (SIMULATION)		
CHE (Coast & Harbor Engineering)	6.93%	N
MARINE ENGINEER (ENGINEERING)		
Gerwick	7.37%	N
MECH / PLMB / FIRE SPRINKLER ENGINEER		
SJ Engineers	7.26%	Y
ELECTRICAL ENGINEER		
FW Associates	3.72%	Y
SECURITY CONSULTANT		
Safir Rosetti	2.72%	N
COST ESTIMATOR		
TBD Consulting	2.68%	Y
CIVIL ENGINEER		
Telamon Engineering Consultants	2.04%	Y
ACOUSTICAL ENGINEER		
CM Salter & Associates - Acoustics	0.13%	N
AUDIO VISUAL CONSULTANT		
CM Salter & Associates - Audio Visual	0.10%	N
LIGHTING DESIGNER		
Architectural Lighting Design	1.53%	Y
WATERPROOFING CONSULTANT		
Simpson Gumpertz & Heger	1.02%	N
TRAFFIC ENGINEER		
CHS Consulting	4.67%	Y
CODE & LIFE SAFETY CONSULTANT		
Rolf Jensen & Associates	1.58%	N
HISTORIC PRESERVATION		
Kelley & VerPlanck Consulting	0.09%	Y
MARKETING ANALYST		
ERA Aecom	1.33%	N
STRATEGIC ADVISOR		
P.B. Strategies, LLC	1.20%	Y

NTP1 Fee	NTP2 Fee	Fee	LBE %
$1,328,255	*$1,050,866*		44.48%
	Base Total A&E Fees:	$2,380,320	

Additional PFAU LONG Insurance PremiumTo Meet Project Requirements:	$4,120
Reimburseable Allowance:	$35,000
GRAND TOTAL A&E FEE for PROGRAMMING, CONCEPT & SCHEMATIC DESIGN:	**$2,419,440**

PORT OF SAN FRANCISCO

MEMORANDUM

November 3, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Request authorization to award Construction Contract 2719R for Pier 45 Drainage Improvements to A&B Construction, Inc. in the amount not to exceed $1,394,400

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

INTRODUCTION

Port staff requests that the Port Commission award public work Contract No. 2719R, for Pier 45 Drainage Improvements and related work, to A&B Construction, Inc., the responsible bidder submitting the lowest responsive bid. The proposed work includes: 1) installation of a new storm water collection system along the north deck of Pier 45 to direct polluted storm water runoff from this area to the City's sewer system; and 2) installation of a new pumpout manifold along the Pier 45 west apron that will allow herring boats moored along the north end of Pier 45 to tie-in and discharge herring gurry to a new sanitary sewer pump station located between the two Pier 45 fish processing sheds (see Attachment 1).

The Project will help reduce bacterial loadings in the vicinity of Aquatic Park and provide for overall water quality improvement in support of recreational use at this location. The redirecting of polluted stormwater runoff away from Fisherman's Wharf Harbor will also help ensure regulatory compliance for the Port's fish processing tenants at Pier 45.

This Print Covers Calendar Item No. 10B

Background

At its September 22, 2009 meeting, the Port Commission authorized staff to advertise for bids for the Pier 45 Drainage Improvements Project (Port Commission Resolution 09-58). The project will be funded using economic stimulus funds made available through the American Recovery and Reinvestment Act in the form of a principal forgiveness loan administered through the California Clean Water State Revolving Fund (CWSRF)[1]. The Port Commission authorized staff to accept and expend CWSRF funds for the Pier 45 Drainage Improvements Project in Resolution 09-22. An accept and expend resolution for the ARRA funding was approved by the San Francisco Board of Supervisors in August 2009.

The Project was advertised on September 25, 2009 and seven bids were received on October 27, 2009. Because of concerns that the total bid might exceed available ARRA funding, the herring water pumps were bid as an alternate bid item.

Pier 45 Drainage Improvement, Contract #2719R
Bid Summary

Bidder	*Base Bid*	*Herring Pump Bid Alternate*	*Total Bid*	*Total DBE Participation*
A&B Construction, Inc.	$1,031,000	$363,000	$1,394,400	28.3%
Valentine Construction	$1,141,619	$388,000	$1,520,000	3.8%
M Squared	$1,522,000	$300,000	$1,822,000	24.7%
McGuire and Hestor	$1,331,000	$495,000	$1,826,000	6.2%
Power Engineering Contractors	$1,444,000	$456,000	$1,900,000	43.1%
D'arcy and Harty	$1,588,000	$400,000	$1,958,000	12.5%
P&J Utility	$1,524,000	$450,000	$1,974,000	17.1%

In order to comply with provisions of the CWSRF Project Finance Agreement, Port staff must ensure that all state and federal requirements are incorporated into the Port's contracting process. Because the project is funded through federal economic stimulus funds, federal Disadvantaged Business Enterprise requirements apply. In the case of funds administered by the United States Environmental Protection Agency through the CWSRF goals are set as a "good faith effort" and include 24% Minority-owned Business Enterprise (MBE) and 6% Women-owned Business Enterprise (WBE) participation in the project. A&B Construction submitted the lowest bid and identified M/WBE subcontractors to perform 28.3% of the Work.

[1] A "principal forgiveness loan" is one in which a reduction in the outstanding principal balance is applied at the time of amortization of the loan, in this case a reduction of 100%.

Funding

The Engineer's Cost Estimate for this project was $1.6 million. The lowest responsive bid, from A&B Construction, Inc., was $1,394,400. The current available funding allocation shown below allows the Port to award to A&B Construction, Inc. both the Base Bid and the Alternate Bid, with an additional ten percent contingency of $139,440 for a total of $1,533,840. The funding source is available in the 2009-2010 fiscal year.

Funding Source	Funding Amount
CPO 153 – Pier 45 Drainage Improvements Project	$1,548,645

Schedule

The project is scheduled to start in December 2009 with substantial completion by July 2010. The following is the anticipated project schedule:

Port Commission Authorization to Award.....November 10, 2009
Issuance of Notice to Proceed.....December 14, 2009
Construction Substantial Completion.....July 2010
Final Completion..... October 2010

Summary

Port staff recommends that the Port Commission authorize the award of Contract No. 2719R for Pier 45 drainage improvements and related work to A&B Construction, Inc., the lowest responsive, responsible bidder in the amount not to exceed $1,394,400. Port staff further recommends that the Port Commission authorize staff to increase the contract amount, if needed for additional contingencies, by an additional $139,440 (10% of $1,394,400) through contract modification or change order, for a total amount not to exceed $1,533,400.

Prepared by: John Mundy, Utility Specialist

Prepared for: Edward F. Byrne, Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-72

WHEREAS, The Port Commission previously authorized the advertisement of the construction contract for the Pier 45 Drainage Improvements Project, Contract No. 2719R, by Port Commission Resolution 09-58, at its meeting on September 22, 2009; and

WHEREAS, The contract is for drainage improvement work and the installation of a pumpout manifold along the west apron of Pier 45 that will allow for discharge of herring gurry to a new sanitary sewer pump station; and

WHEREAS, The drainage improvement work was advertised as the base bid item and the installation of the pumpout manifold was included as a bid alternate; and

WHEREAS, Port staff received seven bids on October 27, 2009; and

WHEREAS, Port Engineering staff and the Human Rights Commission staff reviewed the bids and have determined that, with a bid of $1,394,000, A&B Construction, Inc. is the lowest responsive, responsible bidder; therefore be it, and

RESOLVED, That the Port Commission hereby authorizes the Port staff to award the construction contract for Pier 45 Drainage Improvements Project, Contract No. 2719R to A&B Construction, Inc., the lowest responsive, responsible bidder, for an amount not to exceed $1,394,000; and be it further,

RESOLVED, That the Port Commission hereby authorizes the Port staff to increase the contract amount, if needed for unanticipated contingencies, up to an additional amount of $139,400 (10% of $1,394,000); and be it further

RESOLVED, That the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

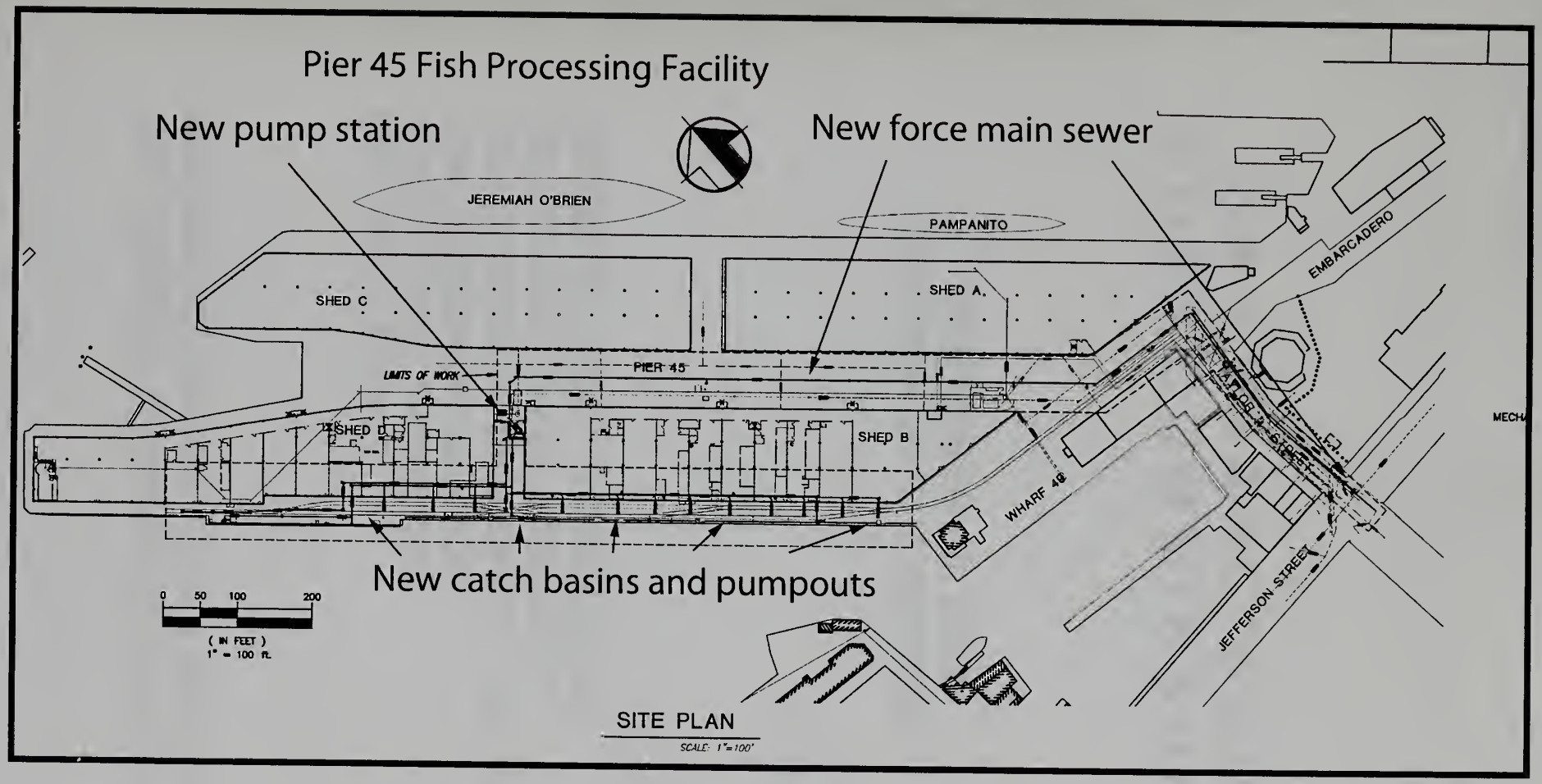
I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 10, 2009.

_____
Secretary

Attachment 1

Site Plan

Pier 45 Drainage Improvements Project



Pier 45 Drainage Improvements Site Plan

SAN FRANCISCO PORT COMMISSION

NOVEMBER 10, 2009
MINUTES OF THE MEETING

GOVERNMENT
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MEMBERS, PORT COMMISSION
HON. RODNEY FONG, PRESIDENT
HON. STEPHANIE SHAKOFSKY, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. MICHAEL HARDEMAN
HON. ANN LAZARUS

MONIQUE MOYER, EXECUTIVE DIRECTOR
AMY QUESADA, COMMISSION SECRETARY

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
NOVEMBER 10, 2009

1. CALL TO ORDER / ROLL CALL

Commission President Rodney Fong called the meeting to order at 2:03 p.m. The following Commissioners were present: Kimberly Brandon, Michael Hardeman and Ann Lazarus. Commissioner Stephanie Shakofsky arrived at 2:06.

2. APPROVAL OF MINUTES - October 27, 2009

ACTION: Commissioner Lazarus moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; the minutes of the October 27, 2009 were adopted.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Lazarus moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 2:03 p.m., the Port Commission withdrew to executive session to discuss the following:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED AND EXISTING LITIGATION MATTERS (DISCUSSION & ACTION ITEMS).

a. Discuss anticipated litigation matter pursuant to Section (a) of California Government Code Section 54956.9 (b) and San Francisco Administrative Code Section 67.10(d):

Anticipated litigation: __1__ As defendant

- Discussion and approval of settlement of government tort claim filed by Michael Fine Art (tenant), wherein tenant alleges damages and loss of use of Pier 29 leasehold premises due to water intrusion. Proposed settlement of claim upon terms which include the Port waiving past rent due not to exceed $10,800,

effective December 1, 2009, in exchange for tenant's full and final release of claims. (Discussion and action item.)

b. Discuss existing litigation matter pursuant to Section (a) of California Government Code Section 54956.9 (a) and San Francisco Administrative Code Section 67.10(d):

- City & County of San Francisco by and through its Port Commission vs. Great American Navigator Company, Inc., Superior Court for the State of California, County of San Francisco (Case No. CUD-09 631005). (Discussion and action item)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative.*

a. Property: Seventh Street Right-of-Way
Person Negotiating: Port: Susan Reynolds, Deputy Director, Real Estate
*Peninsula Corridor Joint Powers Board: Brian Fitzpatrick

b. Property: Pier 9
Person Negotiating: Port: Susan Reynolds, Deputy Director, Real Estate
*Pacific Marine Yacht Charters: Garrett O'Doherty

5. RECONVENE IN OPEN SESSION

At 3:15 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Shakofsky made a motion to adjourn executive session and reconvene in open session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Shakofsky made a motion not to disclose any information discussed in executive session except for the Commission's unanimous approval of the proposed settlement between Michael Fine Art and the Port that waives past due rent of $10,800 in exchange for tenant's full and final release of all claims. Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

6. ANNOUNCEMENTS: The Port Commission Secretary announced the following:

A. **Announcement of Prohibition of Sound Producing Devices During the Meeting**

Please be advised that the ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

B. **Announcement of Time Allotment For Public Comments**

Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

7. EXECUTIVE

A. Executive Director's Report: Executive Director Monique Moyer reported the following:

- U.S. Coast Guard/Marine Corps Accident – October 30, 2009
  Approximately two weeks ago on October 30, 2009, a U.S. Coast Guard aircraft collided with a Marine Corps helicopter in the waters off of San Clemente Island. The two aircraft were staffed with a combined total of nine crew members, all of whom have been presumed lost as their bodies were not recovered. It's a very unfortunate accident because the Coast Guard was out at sea searching for a pleasure boat that had not returned as scheduled. They were doing a very heroic job to begin with. The Coast Guard, the Marine Corps and the Navy worked tirelessly for three days to try to recover any survivors. Unfortunately, none were found. More unfortunate is that one of the U.S. Coast Guards, an aircraft commander, Lieutenant Commander Che Barnes is part of the Port family. He and his three brothers co-own Farm Fresh to You, a market in the ferry building and Capay Farms, which is a member of the farmer's market organization, CUESA. Lieutenant Commander Barnes worked for Sidonie Sansom, the Port's Homeland Security Director, for quite some time. It was a very unfortunate event all around and it touched us all very closely. We wanted to publicly extend our condolences to all of the victims, their families, friends and co-workers.

  Commissioner Fong asked for a moment of silence in memory of Lt. Commander Barnes.

- Bay Bridge Closure/Ferry Operations – October 27 to November 1, 2009
  The Bay Bridge closure happened late in the afternoon commute on Tuesday, October 27, 2009 and lasted for a full five and a quarter days. The Port was very much involved helping the city to move passengers and commuters and, in fact, city employees in and out of the city and around the bridges. We had increased ferry activity. A lot of people

discovered the joys of the ferry system in that five-day period. We used a lot of our emergency response techniques and equipment to move the passengers through the Ferry Building. We not only had electronic signs placed everywhere but also fencing or barricades to help move the passengers into the right queues. We launched Port ambassadors, specifically trained Port employees who were dispatched around the Ferry Building to help passengers find their ways. They were all volunteers. All of them stayed past their regular quitting time to assist the public. We are incredibly appreciative and proud of their efforts. She thanked Andres Acevedo, Sidonie Sansom, John Davey, Denise Turner, Aaron Golbus, Mike Nerney, Marilyn Yeh and David Rosales for being the Port ambassadors and representing the Port. They were a big help to the general public.

- Dubai Star Oil Spill – October 30, 2009
  Peter Dailey provided the Commission a brief overview of the oil spill that happened on Friday, October 30, 2009. Oil spills are something that gets all of our attention. Two years ago, the Cosco Busan container ship run into the Bay Bridge. 20 years ago, the Exxon Valdez spilled about 11 million gallons of crude oil in Alaska. The American Trader hit Huntington Beach in the early 1990s with about 300,000 gallons of oil spill.

  In the early '90s, the State of California set up the Oil Spill Prevention and Response Act, which is run by the State Lands Commission. They've put together an organization that is aimed at protecting California waters in case of an oil spill. There are certain protocols that they put in place that are now mandated by all ships that sail in California waters. One of which is that every ship that comes in the bay or anywhere in the water in the state must have demonstration of financial assurance. An oil tanker such as the Dubai Star that leaked on that Friday had a billion dollars of securities that the state had in insurance in case there was an accident. The second part of the law is that all ships have to have companies in place that, if there is a spill, they can respond immediately in conjunction with the Coast Guard and other federal, state and local agencies. A little before 7 a.m. on Friday, October 30, 2009, the Panamanian-flagged tanker, the Dubai Star, berthed at Anchorage Nine just south of the Bay Bridge was taking on fuel from a barge that was alongside. A mechanical failure took place. Approximately 400 to 800 gallons of bunker fuel leaked into the bay. The Port heard about it approximately 8:00 that morning. We started getting phone calls from the Coast Guard and emails.

  We stood by with the Coast Guard, told them that we have all our resources available if needed and can be ready to get up an operational at their call. At 9:30 a.m., the Coast Guard called us back and said, at this time, they didn't need any immediate assistance. He received a call from Larry Collins from the Crab Boat Owner's Association stating that he had the crab boats ready to be deployed if they needed to have the booms deployed or clean-up operations ready to go underway.

Port staff were ready to respond. Since the Cosco Busan, the Port has done a lot to better respond to situations such as this. The Port has purchased thousands of feet of absorbent and protective boom deployed in various locations along the waterfront in case it has to be put out to protect our shoreline.

There are approximately 89 Port staff members, nearly half the Port has been trained in oil spill training, oil spill cleanup. We put together a Port incident management assistance team that is ready to work when needed in a situation like this.

That afternoon, Tom Carter and the maintenance crew were ready to roll in concert with the San Francisco Fire Department. Early in the afternoon, Michael Nerney went out on the San Francisco fire boat with the U.S. Coast Guard and gave us real-time observations to assess the situations. That helped the Port and the city in its response and if booms were needed to be deployed that afternoon. Most of the oil was on the east side of the Bay in Alameda. Most of the beaches that were impacted were in Alameda. There were 30,000 linear feet of boom that were deployed on the Alameda side of the Bay but nothing in San Francisco of any major consequence.

That Friday, the Bay Bridge was also shut down. Thousands of additional passengers that were getting on and off ferry boats were waiting at the Ferry Building. Port staff were stretched pretty thin.

That afternoon, the Coast Guard, for a short period of time, closed vessel access to the Oakland Estuary. For about a half an hour, there were passengers that had no ferry boats to get on to get back home on the East Bay. Luckily, the Coast Guard opened up the Estuary, and we were able to get the passengers out of the Ferry Building and back home where they belonged.

The ship, the next day, was brought to Pier 80. The Coast Guard asked if it could come to San Francisco's Pier 80 for inspection and for cleaning. We accepted the vessel and it stayed for about a week. It went through a thorough investigation and cleaning by the Coast Guard and by the responsible parties. The ship sailed earlier this week out of the Golden Gate. Lessons learned, we responded in a prompt manner. We've come a long way since the Cosco Busan oil spill.

Port staff, especially Mike Nerney, Tom Carter and the maintenance crew, Rich Berman and a number of people did a yeoman's duty that afternoon.

Monique Moyer added her thanks to Port staff and the city family. It took dozens of volunteers from the Port staff to work through the weekend to respond to this as well as to drop all of what they were doing for Port

work on the day of the occurrence. She was very pleased with how we responded and very gratified to hear from Larry Collins right away with the offer of vessels, gratified to hear from the Coast Guard right away and, most importantly, very pleased that the oil never touched our shores.

If we could have only not had any marine life impacted, it would have really been a good day. Unfortunately, that was not to be. But all things considered, it was a very different response by all the parties than we saw before. That was the most gratifying thing. She thanked Peter Dailey as well.

- Urban Land Institute
  Last week, the Urban Land Institute held their annual conference in San Francisco. Over 6,000 real estate developers, lenders, investors, etc. participated in the conference. Many of the Port's development projects were prominently featured as part of their visit to San Francisco.

  There was a presentation here in the Ferry Building and a walking tour of development projects here within the ferry building area, which was not to be missed. I understand that the presentation by the developers was exceptionally good. There were a lot of conversations about if and when and where financing can be held.

  There was a lot of discussion about the fact that it is a very challenging time but private partnerships are still going forward. Unfortunately, they're looking to the public aspect for a bit more dollars and hopefully the leveraging of public stimulus dollars to help make some of these public partnerships work.

  According to the development staff, we learned several terms including zombie buildings and extend and pretend, which means when your take-out financing expires, just pretend that it's all okay. She considers us very lucky that we're not in any of those situations.

  She thanked Commissioner Hardeman and Commissioner Shakofsky for their participation. A panel was dedicated to the Port's Pier 70 master plan where seven development experts not only reviewed the plan but talked about the plan's implications and implementability and shared their ideas. It was an amazing session. Thanks to David Beaupre, Pier 70 was prominently displayed at the SPUR Center on Mission Street. It was a great opportunity for the Port to show off some of our success stories. She thanked everyone for their participation.

- Trans Bay Cable
  Last week, you may have seen a very distinct-looking vessel in the Bay. It looked like she was almost sitting still. In fact, she was laying cable for the Trans Bay Cable Project. As you recall, approximately 84 kilometers of cable will be laid from Pittsburgh all the way to San Francisco.

Approximately 94 percent of that has already been completed. They expect to touch down at the San Francisco side, at 23rd Street on November 11. When all is complete, they will enter a testing phase with the hope that the Trans Bay cable operations will begin providing power in March of next year. Congratulations to all especially to Brad Benson.

- Start of Crab Season – November 15, 2009
  Crab season starts next week, November 15, 2009. Early indications are that the crabs are being a bit elusive. They're elusive so far. It's our expectation that there will be a crab season but that some of our fishing fleet will probably begin a little further north where the crab appear to be a iittle bit more plentiful as of right now. We're keeping our fingers crossed and looking forward to a fishing season that's a success for the first time in quite a while.

- Port of San Francisco Drydocks to be Used for Suisun MARAD Fleet Clean-Up
  The Port of San Francisco's BAE San Francisco Shipyard, our dry dock operator, has won the first bids for two vessels that have been obsolete and berthed in Suisun Bay for some time.

  These are MARAD vessels, maritime administration vessels of the Department of Transportation. The vessels will be towed from Suisun Bay to Pier 70. There are two victory-class ships, the Pan American Victory and the Elan Victory. At the Pier 70 BAE shipyard, the ships will be cleaned, tested and then they will be towed to the Gulf where they will eventually be dismantled. This is great news for the Port. For each vessel, it's about two weeks of non-stop work for approximately 40 employees. BAE is bidding on the next series, which is three vessels. All told, there are 50 vessels. We wish them great luck because, if they could win the majority of that work, it could be a very robust industry again here for the Port in the coming months.

- Approval of Exploratorium Project at the Board of Supervisors – November 3, 2009; at BCDC – December 3, 2009
  We have received our final approvals from the Board of Supervisors on the Exploratorium project. Thanks to all the amazing staff who have worked on this project for a long, long time. One aspect of the project is to amend the Special Area Plan with the San Francisco Bay Conservation and Development Commission. A public hearing was held last week on that. The vote is to take place in front of BCDC on December 3, 2009. We hope that will go well. Any day now, we are awaiting the approvals from the State Lands Commission. We hope that, by then, we can count that everything is in place.

  She thanked the Exploratorium board for their tremendous vision in looking for a new home for this and seeing it at the waterfront and the hard work that they've done to raise the money and to continue to raise

the money. They are to be commended for that effort for generations to come. She thanked the Port Commissioners for their vision in seeing such a use at the Port. The Commission will all be extremely gratified when it opens, and we get to see such an enhancement to our waterfront.

Thanks to the Mayor's office, specifically Michael Cohen, Rich Hillis, Supervisor David Chiu who helped broker some last minute negotiations with some of our stakeholders. The developers, Wilson Meaney, Sullivan and hundreds of people. Most importantly, thanks to Jennifer Sobol who is on a much needed vacation this week and couldn't be here today.

- Northeast Embarcadero Study Presentation to the Planning Commission– November 12, 2009
  At the last Commission meeting, City Planning Director John Rahaim presented their proposed findings with respect to their study of the Northeast Embarcadero surface parking lots. He will be making a similar presentation to the Planning Commission on Thursday, November 12, 2009. Their Commission meets at City Hall in Room 400 at 1:30. It is our best guess that our item might come before the Commission around 6:00 p.m. The next public community workshop is scheduled for the evening of Wednesday, December 16 with the time and place still to be determined.

- Commendation for Tina Olson, Deputy Director of Finance and Administration

  Monique Moyer Brad and Tina joined her when she was asked to come to the Port by the Mayor and approved by the Port Commission. Tina agreed to come and help out, and boy did she. She has been with the Port now since May 2004. Before that, she was with the City Department of Public Works for eight years. Though she doesn't publicize it, a small stint with Harvey Rose's office even before that. She had just the right attributes for a job at the Port.

  She has achieved so much with the incredible staff that she has working with her. Finance has just been a critical piece of the Port's renaissance in its post-cargo era and never more important than where we are today. Working with Tina and all of the senior management staff, we found that you can't solve a problem before you define the problem. Tina worked very hard to help us do that. Within 10 days of her and Tina joining the Port, they presented the Commission a significant array of budget cuts including layoffs, which was very difficult. They hope not to repeat that in their careers.

  It has had a long-lasting result in stabilizing the Port's budget and has served us well at least as of today in the current economic environment. On behalf of all the Port staff, she thanked Tina for that work because it

has allowed us not to have to have experienced layoffs as many other of our colleagues have had to address.

Tina's vision and leadership in creating the 10-year capital plan was a tremendous turning point for the Port and helped all of us to understand where we were in our evolution in somewhat of a crisis and prioritize our resources and to seek new ones. She spearheaded an effort get the Port's first ever general obligation bonds for a park and open space. To this day, she does not know of any other port in the state that has had such a generous response from voters to agree to tax themselves to create public access at their waterfronts. That is just incredible.

Tina immediately did a debt refinancing in 2004. Right now, we are debt free for a hot second. She has worked hard to create the ability to issue new debt and has identified the most strategic places to invest those limited resources. Of course, she's most famous for her parking meter pilot program, for better or worse. It turned out very well for the Port. It still is a pilot program, as we remind people all the time and we hope will ultimately be a great success for the city overall. Tina has a very cheerful attitude. She is completely and absolutely committed to the success of the Port. She is unwavering in her dedication to her fiduciary responsibility. She is an exceptional problem solver but most importantly, she's a very good friend and ally. We will miss Tina tremendously.

She wouldn't be Port Director without Tina. It's been great to be here with her. She can't imagine being here without her. Her efforts have left us well positioned for a bright future. Generations to come will not know they should thank you, but they should. God bless. Have fun in Pittsburgh.

Commissioner Rodney Fong read the following inscription on the plaque: "Tina Olson, in appreciation for your leadership, friendship, outstanding efforts while working at the Port of San Francisco, May 2004 to November 2009" and presented Ms. Olson with the plaque.

Ernestine Weiss indicated that she only has good things to say to Tina. Tina is one of the best, if not the best, when it comes to money in the Port. She did a great job and we all have benefited by it, and we all appreciate her. She wished her good luck on her next stint.

Ed Byrne, Chief Harbor Engineer, on behalf of the Port Engineering Department, he thanked Tina Olson for all the effort, initiative, motivation she put into obtaining the current funding for our Port capital projects. Through her efforts, with the approval of the Port Commission and Monique's direction, have created for engineering a backlog of construction projects that are going to greatly improve the waterfront and benefit the citizens of San Francisco. The projects currently on the drawing boards or in our computer hard drive today include the cruise terminal project, the G.O. bond projects, the park projects that include the

Brannan Street Wharf project, the Pier 43 Bay Link Trail project, the Mission Bay project and the Blue-Greenway project. All of these are going to greatly enhance the Port properties along with a host of other new projects that we're just sorting out now, and we're going to have funding in January that include the Pier 35 repair and the Pier 50 improvement and repairs in several other port facilities.

Mr. Byrne thanked Tina for this backlog and the years' worth of engineering work that she brought to Engineering, in particular for her efforts in obtaining funding for repairs and improvements for the Port's waterfront infrastructure and all her assistance over the years. It's been a pleasure working with her and he and the Engineering staff wished her the best.

Brad Benson indicated that he came to the Port with two purposes in mind: (1) to work with Monique and (2) to work with Tina. He didn't know a lot about the Port's mission or what happened here or the great people who work here. That's been a wonderful discovery. He was right on in choosing to work with Tina. It's been the best professional collaboration he's had in his life. He admires her so much for her integrity, the joy that she brings to the workplace every day, the sense of team that she brings to the place. There's a phenomenon that goes on at the Port outside Tina's office that John Woo] and others know, which is there's a window by the side door of Pier One. It's a view into Tina's office. Daley Dunham has named it the Tina cam. We use it to check and see if there's a moment in Tina's day when we can drop by and talk about whatever problem it is that we're trying to tackle. It's that glue that she provides to the organization that we'll all miss so much. She brings to problem solving such an enthusiasm and creativity. There's never a sense of judgment about a problem. It's just how we can work through it together. He thanked her on behalf of all port staff. She's just a great person and he wished her the best in Pittsburgh.

Susan Reynolds, Deputy Director of Real Estate, on behalf of the real estate department, she thanked Tina for all her help and support. It's not just going to be the Port that's going to remember her contribution but the entire City of San Francisco. Truth be known, this room would be packed full if they'd known this was going on today. Tina was one of the first people on the staff that she met with after she spoke with Monique about coming to the Port. She gave her such a comfortable, welcoming, warm feeling. She knew it was going to be a great place to be. She's continued to prove that over the years. The City of Pittsburgh is getting a treasure and we're going to miss Tina.

Tom Carter, Deputy Director of the Maintenance Division, indicated that he worked with Tina at Public Works. Although, he didn't work with her as closely as he has here at the Port. In terms of the maintenance division, she's been very supportive in everything that we've needed to do, has

really helped us identify and improve our budget, allowed us to get the vehicles we've needed and have created funds that we haven't had in terms of being able to get things done that we haven't been able to get done in the past. Beyond the division, the personal assistance that Tina has given to him and the ability to go into Tina's office and to get some guidance and to get some help. Her problem solving, has three things that she says. It has become a mantra that he repeats to his staff. Just identify the problem, find a solution and try to prevent it from happening in the future. That's really worked. No judgment. Just correct things. The counsel that we get and the advice that we get from Tina and the moments just to walk in the office and to get a breather from everything else that's going on has been huge for him. He's going to miss that. He's going to have to find it someplace else.

John Woo, on Tina's staff, indicated that we got off to a really great start right at the very beginning. He's always said that trust and respect is something that's earned. We built a rapport very early in our relationship. It's been a great ride. Tim Collins, a business consultant, writer of Good to Great, one of the things he said, "You really have to have the right people on the bus and the right people in the right seat." As Director Moyer shared, Tina was the right person to be on the finance team. She's demonstrated a lot of great leadership. With Brad and Monique, one of them is the driver, and this bus is zooming right along. The rest of us are just following along. But change does happen. One of his favorite books, Spencer Johnson's Who Moved My Cheese, this is the handwriting on the wall. It's an allegorical story about two mice, Sniff and Scurry and two prototype people Hem and Haw. But they encounter this writing on the wall as they venture through this maze and follow the cheese. Change happens. They keep on moving the cheese.

Anticipate change. Get ready for the cheese to move. Monitor change. Smell the cheese often, so you know when it's getting old. Then, adapt to change quickly. The quicker you let go of the old cheese, the sooner you enjoy the new cheese. Change. Move with the cheese. Enjoy change. Savor the adventure and the taste of the cheese. Lastly, be ready to quickly change again and again. They keep moving the cheese. Enjoy the change. Savor the adventure and taste the new cheese, Tina.

Dan Hodapp, Port's Planning and Development Division, indicated that when he gets done with work at the end of the day, he often likes to go home or wherever and talk to whoever will listen to him and tell them about the really creative, fun and extremely smart people he works with at the Port. No one rises to the top of that list more than Tina. He appreciates that relationship and the wonderful things he's been able to work with Tina on and thanked her for that.

Peter Dailey, Deputy Director of Maritime, indicated that Brad talked about the Tina cam, which is that window on the side of her office. We've

had some hard times at the Port. Years ago, when we got here, the balance sheet was in bad shape. We were really in need of some help. Tina was so vital. He's been at the Port a long time. He appreciates her efforts so much. But there were stormy times. He remembers walking through the office and looking in that window. He would see this blonde person there, just a dynamo and she'd been doing a great job. He knew then that things are going to be okay. San Francisco's loss is Contra Costa's gain.

Susan Kearney, Manager of the Port's the information services group, indicated that she works for Tina for another week and a half. It's been a pleasure and a privilege to work with Tina. Tina hired her to come to the Port about five years ago. She couldn't have asked for a better boss. Tina is smart. She's generous. She's honest. She's loyal. She's funny. She's an incredibly hard worker, as we all know from the Tina cam. She's a person of integrity. She's not afraid to think big and to take risks. She's an ardent advocate and a worthy adversary. She's compassionate. She's our go-to person. Last but not least, she's fun to work with. Tina has made many things possible at the Port, for which she and many others are grateful. She thanked her for her steadfast support and encouragement. No matter what was going on, she could count on Tina. She could believe her, and she could trust her. She's sorry to see Tina leave the Port, but life is change, as John just said. Our loss will be Pittsburgh's gain. She thanked Tina for being a mentor and a friend. She wished her all the best in your new endeavor.

Douglas Legg, the Manager of Finance and Budget at Public Works, Tina Olson's old job. He brought greetings from all of her friends, many of whom wanted to be here but there are little crises they're working with today. Five and a half years ago, Public Works went through what the Port is going through today. It was kind of a shocking loss when Tina left them. Her good humor and her great ideas, her integrity. They have survived, and he knows the Port will survive as well. The city family is going to miss her greatly. He's going to miss being able to dial her number without an extra four digits before because she not only is helping people in the Port but throughout the city and people that she's worked with for years. All of us are going to miss her, but all of us are going to carry on a lot of things that we learned from her over the years. Even though Pittsburgh is a very long way away, she's just a cable away from 23rd Street. We're going to figure out how to use that. He first met Tina when he was working at the Metropolitan Transportation Commission. Tina was really the finance manager for a transportation project called the Mid Embarcadero. So Tina's connection to the Port goes back long before she actually became an employee. It's wonderful that she's been able to make this full circle. We're looking forward to finding out what comes next.

Teresa Burke, from the San Francisco Public Utilities Commission, indicated that it's a privilege to be able to speak in front of the Port Commission. The Commission will probably never invite her back after today. When Monique first told her about this commendation for Tina, she asked her to come and speak. The only thing she could think of was a line from her favorite movie, which is, To Sir With Love. How do you thank the person that's taken you from crayons to perfume? It isn't easy, but she tried. The first project she got to work on was the Mid Embarcadero. The crowning piece of that is the Harry Bridges Plaza. In that project, she got to work with world-class engineers. She was challenged in so many ways, mostly watching her mouth. But nonetheless, she's better at it. It was the first project where Tina's philosophy really came through, which is, you do what's best for the city, not the director, not the department but the city. As long as you used all your talents, she would have your back. Of course, if you screwed up, she had your ass later. But she was kind enough to do that in her office. The second project was Pioneer Park, the open space around Coit Tower. She told her it was a gift. She told her it was a gift she wanted to return badly. She said it was a gift that she needed to try on to see if she really liked it. She thought, what's the lesson in this? The lesson in that is, there are so many great projects going on in the city that really do contribute to people's quality of life and that we should try and go native and have fun. To this day, she do. She continues to work with the Telegraph Hill Dwellers, of which her former colleague, Ann Halsted continues to be a member. Having those bonds with the community and knowing that you should be able to call stakeholders and also creatively solve problems with them was a major lesson from Tina. She hopes she'll be able to do that in Pittsburgh. She will miss her. The Port and DPW says she'll be back in 16 months.

Anne Godfrey, formerly the director of training and development at the Public Works Department where she had the pleasure of getting to know Tina as a colleague. When she took retirement from the city and became a management development consultant, Tina gave her the great honor of asking her to come and do some work here at the Port with her department and with many of the other groups within the Port. It was the best of all my consulting assignments. She had the opportunity to meet with and see how finance people worked in many of the different departments through the city. Tina clearly was and still is the standout of all of them with her creativity and her creative look at how to solve problems. She's extremely grateful for her friendship and also very impressed with her.

Corinne Woods, Port watcher, indicated that she was rummaging through one of her stacks of Port documents the other day. She kept coming across Tina's name on projects that worked, that were successful, that we've been able to achieve things. There was a quote in the paper today.

It said that a problem existed is less important than a problem is being addressed. That's Tina.

David Gavrich, indicated that he's not going to cry but he's going to smile because it's one thing for colleagues and staff to come up here and say nice things about Tina but it's another for a tenant, who sat on the other side of the negotiating table to say nice things. Tina was firm but fair. She's serious, but she also has a great, great laugh and a great sense of humor. She's got vision. As many of you know, he was an early supporter of the campaign for President Obama. He and Kamala Harris worked early on. He held a Super Bowl party for Obama during the primaries and invited a lot of people. Tina showed up. She came with vision for America. When she left the party, she didn't have quite as clear of vision. He thinks it was due to my margaritas though actually. She asked me if she could get a ride home on the locomotive, which was a little bit scary. But seriously, she was actually very instrumental in their getting started here as the first biodiesel railroad in the country. He's happy to say that her giving us that push, last week they became the second biodiesel railroad in the country when they started service to Mare Island. They're now running biodiesel engines out to Mare Island. He thanked Tina for her help and support. As a token of their appreciation, he presented her with a limited edition hat.

Brian Strong, Director of Capital Planning Committee, Tina's been working here at the Port and as she's been working on the Port's 10-year capital plan, as they've been developing their own. Tina has been instrumental, critical in helping them be successful and in promoting that plan. Her dedication is really outstanding. They will be instituting the TOAD award, which is the Tina Olson Attendance and Dedication Award. Tina's service has been outstanding, her willingness to stand up and say what's right, even if the president of the board of supervisors is there or someone else. It's really a standard for how we should be doing planning and analytical work across the city. Tina will be missed.

Jay Ach, manager of environmental and regulatory affairs in the Maritime Division at the Port, indicated that, from the staff level, Tina rocks, and we're going to miss her.

Commissioner Fong indicated that Tina has an ability to explain very, very complex issues in a very calm fashion that is unique, especially in the finance world. We got a chance to work together on some of the things she's worked on, the Capital Plan, Prop A - very, very complex, a lot of moving parts. She was able to explain things to him in a logical sense that helped him make decisions. She's guided him personally as well on some other issues. He and the Port and as Monique mentioned, the people in the future should know they should appreciate Tina. Hopefully they will, somehow, some day. He thanked her for all her work.

Commissioner Brandon indicated that Tina's just so wonderful. She remembers when she first came and the first budget process. She put the budget before the Commission for a vote and she told her that's not how we do things. We need to go over everything line by line and understand what's going on. So Tina said, "Okay." So there was an informational presentation. The Commission asked a lot of questions. By the next year, Tina had anticipated every question that during the presentation, if it happened in the book, she said it during the presentation, and she had no questions at the end. She's the type of person that loves to ask questions but Tina's just so good and so thorough and makes it so easy that there were no questions. She thanked her for bringing her creativity to the Port, bringing so many new revenue sources to the Port, the bonds, all the wonderful things that are happening here and just for being the wonderful person that she is.

Commissioner Lazarus added that one of the real pleasures for her serving on this commission is the stellar group of people that work at the Port. As somebody said, Tina has certainly been right at the top of that list. She's sort of been lulled into not having to be as critical of financial documents that come forward because she knows if it has her imprimatur on it, that it's going to be good. Some of us are going to have to go back to work now as she moves along. We truly will miss Tina. Her legacy is absolutely firm, as somebody said, not just for the waterfront, but for all of San Francisco.

Commissioner Shakofsky wished Tina good luck.

Commissioner Hardeman Michael Hardeman indicated that his best memory of Tina will always be when he was caught an interview with Matier and Ross, and 90 percent of the interview was real good, but the 10 percent had some aspersions towards our director. He got out of bed that morning. His wife gets up way before him, and she just shook her head and said, "Oh, boy." She sort of chastised him about his comments. He got in his car, drove down and came in by the Ferry Building. Walking across the street is Tina with her big smile, saying, "Shame on you, Commissioner Hardeman!" He will always remember that and loves her for doing it.

Tina Olson indicated that was a bright-light day. She thanked everybody for their kind comments. She will always tell people this is the best commission in the city. She thinks the Port Commission is the best policy-making body in the city, because the Commission genuinely care and want to help staff succeed. Sometimes we get into situations with policy makers where you feel like they don't want you to succeed. They want to sort of judge or humiliate city staff. The Port Commission is not like that. You just want us to succeed and to help us to succeed and to give us advice or guidance or whatever it is that we need to make something

happen. It's been a great pleasure to work for the Commission and she thanked them for their kind words.

She thanked Monique for bringing her to the Port. It's been an amazing experience. She told herself she wasn't going to cry, but she can't seem to stop it. As Douglas said, her first project when she came to work for the city in 1994 was, in fact, not just the main Embarcadero Roadway, the whole Embarcadero Roadway. She was the finance person on it for the Department of Public Works and fell in love with the waterfront. She decided to come to the Port. It seemed logical that when that project was done, she would come to the Port and work some more. It has been gratifying.

The G.O. bonds was an amazing experience. She thanked Commissioners Lazarus and Fong, for all of their help on that effort and the campaign. She definitely didn't know what she was doing there. She was a fish out of the water working on a campaign. She didn't know what to do and the Commissioners were fabulous. They were by her side the entire time, and that was fantastic and they got it done. She would like to be invited to the ribbon cuttings.

For the revenue bond and the cruise terminal, she thanked Monique for that incredible vision for a Port-funded cruise terminal. She is absolutely confident it's on its way. She's confident that all the projects that she helped to start are safely going to go to the end where they need to be. She's, in part, leaving because she feels she's taken care of a lot of things that she wanted to talk care of at the Port, to set things in a good direction.

She genuinely hopes that some of it continues. One of the things that she's learned here at the Port is that we need to bring public funds to the table to help redevelop the city's waterfront. The easiest public funds that you have access to are the Port funds that require us to continue to make good sound judgment decisions on the use of the Port's operating funds so that it's going to benefit the Port and that we're going to have the monies available to do additional revenue bonds. We're going to need to do them for the cruise terminal construction and the Pier 19 or 23 construction. One thing she's hopeful is that we keep up that good work.

She thanked Port staff. They are an amazing group of people to work with. She can't believe how smart everybody is.

Ernestine Weiss complemented everything that was said before, that Tina has done some wonderful projects for the Port and successfully, through all the help of everyone. She's sorry to say that 8 Washington is not one of them. It is a big loser. It should not be done. The planning department is derelict in their duty, as well, for rearranging the deck of the Titanic. It is a disgraceful display of the worst case of chutzpah and poor

judgment against the neighboring community. They are all very angry. An 84-foot height is irrelevant to the Embarcadero Roadway. It violates the goals of the Waterfront Land Use Plan regarding the connection of land to the bay. Cumulative traffic can't be ignored from the Exploratorium and other projects down the road. Open space will be destroyed, and the historic Ferry Building view will be blocked. Reconfiguring the swim and tennis club will destroy it. Seniors, children, etc. will suffer a big loss. Nobody wants it. Nobody needs it. The neighbors are very angry about it. Condos are not selling. There will be no market. This is according to the top economists and she agrees that there will be no market 10 years or more down the road. This is a big loser. Nobody will benefit. The lone developer will lose pension money, pension funds from teachers. CalPERS has lost pensions in the millions of dollars for workers investing in residential real estate. Please do not do this and spoil the waterfront. There's a one-way street for a 500-car underground garage being proposed, which she defeated for block 202 under ferry park for good reasons, because it would create a blocking of the Embarcadero leading to the Bay Bridge. You can't get there now. Why encourage 500-car garage? Do not do this project. It will be the worst blunder the Port has ever made. She doesn't want to see that on the Port's good record.

8. CONSENT

A. Accept First Quarter Contracting Activity Report - Fiscal Year 2009/10 for the July 1, 2009 to September 30, 2009 Reporting Period.

B. Request approval to amend a contract with Forell/Elsesser Engineers Inc. for engineering services for the Pier 35 Substructure Repair project by $209,945 to $457,001, to provide detail engineering design and related work and bid and construction support services. (Resolution No. 09-68)

C. Request authorization to award to Bay Area Lightworks, Inc. Construction Contract No. 2735, Security Lighting at Pier 80 Project in an amount-not-to-exceed $928,806. (Resolution No. 09-71)

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; items on the consent calendar were approved. Resolution Nos. 09-68 and 71 were adopted.

9. FINANCE AND ADMINISTRATION

A. Informational Presentation by the Controller's City Services Auditor on its Management Audit. (VERBAL REPORT)

Commissioner Rodney Fong recused himself on this item. Commission Vice President Shakofsky presided over the meeting.

Tina Olson, Deputy Director of Finance and Administration, indicated that the controller staff will be making the presentation. As an overview, Port staff asked the controller's office to conduct an audit of the Triangle parking lot about a year ago, November 2008. They issued the final report yesterday. The reason why we requested the audit in the first place was partly because we were preparing for the revenue bond. In doing so, we want to make sure that we're optimizing all of the revenues we can from our existing assets in preparation for that bond issuance. We're also getting ready for the solicitation of the parking lot lease for the Triangle parking lot.

Tonia Lediju, the audits director for the controller's office, is going to present the audit report findings and recommendations. We appreciate the professionalism of the controller's office staff on this report. Port staff agree with the recommendations and are planning to fully implement them. We believe most of the recommendations will be addressed through the solicitation of the lease for the Triangle parking lot.

There's a recommendation in the audit report that the Port contract with a forensic auditor to continue to see if there's been any lost revenues to the Port. We're working with the controller's office to secure a forensic auditor probably in January.

Tonia Lediju, Director of Audits, Controller's Office, introduced her staff - Mr. Robert Tarsia, who's the deputy audit director, Ms. Sally Pierce, who is the audit manager, and Cynthia Chavez, associate auditor.

With regard to the audit methodology, the city services auditor conducted a compliance audit of the contract or the management agreement based on good business practices and looking at the management agreement as their criteria. The scope or period of the audit was two years. The sample set included four months for revenue testing, which includes 60 or more manual daily shift reports, for expenditures. City services auditor (CSA) tested three days at 100 percent, which equates to reviewing about 700 manual tickets per day or 2,000 or more for the period that they tested. CSA reviewed, in their entirety, 240 or more shift reports for parking rates, run outs, and voided tickets. CSA also spent a sum total of four days conducting field observations of day-to-day operations of the Triangle parking lot.

The management agreement between the Port and Fisherman's Wharf Restaurant Association (FWRA) is a month-to-month agreement to manage the Triangle parking lot. The management agreement came into effect October 1994. In July 2002, Pier 45, Shed A was added to this agreement. The Fisherman Wharf's Restaurant Association hired City Parking Company to operate the lot and pay support net receipts from lot operations, less parking, taxes, and operating expenses.

Members of the FWRA provide validated parking with minimum purchase, three hours at restaurants, one hour at crab stands. Under the management

agreement, the Fisherman Wharf's Association is required to provide oversight and supervision of the day-to-day operations of the lot. However, the Port is ultimately responsible for the Triangle parking lot property and operations.

The audit objectives were to determine whether FWRA and/or the City Parking Company submitted accurate monthly statements of gross receipts, supported by monthly and daily records, including the general ledger, submitted correct and supported operating expense detail for Port reimbursement, have proper internal controls, including cash controls and revenue control equipment, and complied with other management agreement provisions.

When they're auditing this type of contract, what they're saying is are you doing what you say you're doing based on the criteria, which is the management agreement and then they apply good business practices as well.

They found that the Port has weak management agreement oversight and has not documented policies and procedures for property management. While the Port does have job statements, duty statements that outline the basic requirements for property management, they have not established property management in leased administration policies and procedures to provide guidance beyond that document, which is very important.

The Port have not exposed the management agreement through the city's required competitive bidding process. So the management agreement has been in place for over 15 years. Competitive bidding adequately ensures that the Port has the opportunity to engage the most qualified operator and to realize maximum potential revenues.

The Port has not ensured that sufficient oversight is being enforced at the lot and evidenced by FWRA. This would include receiving and reviewing all required documents, such as budget, list of subcontractors, security and janitorial agreements, monthly parking lease, those types of documents that are required by the management agreement, as well as ensuring that the FWRA has reviewed and assigned and approved these expenses prior to being forwarded to the Port for reimbursement.

The Port has not required the lot operator to submit supporting documentation for expenses. For instance, receiving supporting documentation to substantiate expenses, amounts that, and also, part of good internal controls and good business practices are to set certain thresholds for approval and ensuring not only that the FWRA is reviewing those, but also the Port is doing the same. That's very important, and also having an established procedure to recognize unusual amounts or unusual expenditures coming through for reimbursement.

FWRA is not in compliance with the management agreement and city code by not entering into a formal documented contract with City Parking Company. The purpose of a contract agreement is to clearly define roles and responsibilities of each entity, and to protect the Port's interest.

Installing revenue control equipment, a city requirement, effective date October 14, 2006, requires all San Francisco parking operators to comply with the provision of Article 22 of the San Francisco Business Tax Code Regulation, which deals with the revenue control ordinance. The primary objective of that ordinance is to adequately ensure that revenue is properly calculated based on the tickets received. While we could agree that the parking lot does not have that particular service at this time, it doesn't necessarily mean that they're not able to properly calculate the revenue.

FWRA has not provided sufficient oversight of lot operations. There is little evidence that FWRA is supervising day-to-day operations, subcontractors, reviewing and approving sales reports to ensure the lot's utilization is optimizing revenue to the Port.

FWRA is not implementing sufficient controls over validation program. To protect and adequately ensure that all revenue due to the Port is received, they should use validation stickers or an automated validation process versus a stamp.

Submitting annual budgets for Port approval. This practice helps increase or adequately ensures that the Port understands what expenses should be coming through. It also gives them, at the beginning of the year, a review and a view of what is coming through, if those expenses are adequate, and then when they come through, how much supporting documentation do they need to come through the office with that particular invoice.

The Port needs to ensure the Triangle parking lot or FWRA maintain their supporting documentation, and at different points in time, actually taking the time to go out and do a spot check, a quick audit, just quick review on their own, just to ensure that the bills that they're paying, the reports that are coming through are sufficient, they're adequate, and they are applicable to their business and what's been approved prior to the beginning of the year.

The FWRA has not applied for Port approval to include additional restaurants in the validation program. Specifically, the FWRA has four participating restaurants in the validation program that have not been approved by the Port. The management agreement requires any additional restaurant or associations that come into the validation program need to be approved prior to having been accepted into that particular program. We're just asking that each of the parties follow the agreement that they have signed to.

The City Parking Company has not implemented adequate processes or internal controls to prevent free parking by installing revenue control

equipment. For instance, the Taylor Street parking lot entrance and exit are not controlled by the required revenue control equipment and automated gates.

Reconcile and account for missing tickets, report details to the Port. The failure to properly account for missing tickets may result in unreported revenue to the Port, including risk of reselling tickets or portions of tickets. In some instances, we did find that in our audit.

Separate business from personal checking account transactions. They found that the business account and personal account was comingled, and it was very difficult for the audit team to distinguish what was business and what was personal. That is poor business practices.

There needs to be segregated duties at the office and at the parking lot. We found that they had multiple staff doing the same types of duties. You're bringing in the revenue. You're doing cash deposits. You're recording the revenue. You're then sending the report to the Port. That is poor internal controls. There needs to have segregation of duties where it's determine who should do what and it should be different individuals. That's very important.

Also, there needs to be better controls for allowing monthly parking for management agreement provisions. According to the agreement, only fish processor employees are allowed monthly parking. However, there are certain groups that meet at the restaurant who are afforded the opportunity.

City Parking does not maintain an adequate monthly parking lot or parking lot log or alternate documentation to substantiate the revenue due to the Port.

Safeguard assets maintained at parking lot booth. There is concern if cash and ticket stock are properly protected.

Potential unreported revenue to Port due to one, Shed A revenue sometimes included on shift reports for main lot. They found that the Shed A revenue and the main lot revenue were comingled. The audit team was not sure what was Shed A revenue and what was the main lot's revenue. Without having a schedule of days that the overflow parking lot was open, they were not able to determine the differences.

Not reporting revenue for voided tickets and run outs, and over and under parking charges to customers due to no revenue control equipment and having to calculate amount due manually. There were missing tickets from number sequences of tickets used and no agreed-upon documented rates for buses, RVs, etc. or overnight rates. They could charge different rates and report lesser rates. It's very important that there are set rates and that the Port understood what were those rates and those rates were properly displayed and charged accordingly.

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There was also potential overcharging of expenses due to overcharging for some expenses. For instance, expensing more than supporting documents reflect, such as payroll expenses, janitorial expenses, security expenses, and other expenses. Expensing unallowable items such as auto claims. There

were fixed clerical or supply fees automatically charged to the Port and certain telephone charges.

There were times that we had no supporting documentation for expensed items which cannot be verified as a proper expense. At times, when we received documentation, it was the incorrect documentation. It wasn't for the correct month. Maybe it was for a different month or a different expense, but not for a particular expense that we were trying to identify and testing at that time.

Summary of charges: A total of $591,000 including $6,552 for voided tickets, $12,000 plus for run outs, $236,544 for missing tickets, $2,000 plus for vehicle damages, $3,210 for an allotted Christmas tree of $3,210 and the unsupported or unallowable expenses was $330,000, which included payroll and security and janitorial expenses.

What we've recommended to the Port is that they should require FWRA to enter into an agreement with the parking lot operator and get approval from Port, provide evidence they are performing all duties specified in the management agreement, including daily oversight of the lot operations, install revenue control equipment in accordance with San Francisco Tax Code, implement validation controls such as installing validation machines, enter into formal signed agreements with the additional restaurants participating in the validation program and get Port approval, as required by the management agreement.

The Port should amend the management agreement to include adequate provisions covering free parking, reconciling and reporting missing tickets to the Port, compliance with revenue control ordinance, internal controls, and good business practices, reporting revenue for Pier 45 Shed A and Triangle parking lot and maintaining a log for days overflow parking is open, and then establishing parking rates for buses, RVs, and trailers.

The Port should also consider consulting with a forensic auditor to determine full amounts potentially owed to the Port due to limited audibility of city parking records, collect amounts calculated as unreported revenues to the Port, collect amounts owed for unallowable or unsupported and over reported expenses.

The records were limited for audibility. It was very difficult to trace their records. We found that when we looked at their main source document, which is the tickets, that in many cases, we had many more tickets than what were actually reported or reconciled to the daily shift reports, which were reported as revenue. We had a difficult time following their records. That was the major reason for saying that the records were limited in audibility.

Tonia Lediju indicated for the record that the audit is complete in its entirety based on the records that we received from the Port and we received from

FWRA and the Triangle parking lot, and that we followed the government auditing standards. We are independent of the Port. That's very important for the audience to understand.

Tina Olson indicated that Port staff agreed with all of the recommendations that the controller made. We do believe that, through the solicitation of the lease for the Triangle parking lot, the bids are expected on November 18, we'll address many of the concerns. The new lease will require the new tenant to install the revenue control equipment. It'll require them to issue the parking validation program for all of the Port tenants or restaurants or retail in the Fisherman's Wharf area. It will have to be a formal validation program with the tickets. We are also working with the controller's office to bring a forensic auditor on, which is the last issue addressed. We are truly distressed over the poor oversight that the Port itself has exercised over this agreement. We are taking full responsibility for that part of it.

Commissioner Shakofsky concurred that it's not a very flattering report for either the Port or the operator.

Nunzio Alioto, Fisherman's Wharf Restaurant Association, indicated that yesterday the Fisherman's Wharf Restaurant Association received and reviewed a copy of the controller's audit report. The controller's allegations that the Fisherman's Wharf Restaurant Association has underreported revenue and overcharged for operating expenses are baseless, untrue, and defamatory. The audit report is nothing more than a culmination of a concerted nine-month effort by the Port, with the assistance of the controller, to remove the Fisherman's Wharf Restaurant Association as the operator of the Triangle parking lot by all means necessary, including slanderous allegations of financial impropriety, designed to disqualify our association as the operator.

Why has the Port resorted to a measure as drastic as concocting false allegations of financial impropriety to terminate the association's operation of the lot? The answer is a simple one. The Port knows full well that among other things, the Port and the restaurant association mutually entered in 1982, when the Fisherman's Wharf Restaurant Association took over management of the lot, and in 1994, when they entered into the management agreement, that the Fisherman's Wharf Restaurant Association operate the lot as support parking for the restaurant association's members' restaurants, as long as those restaurants remained in business.

Given that the Port is contractually bound to the lot's operation by the Fisherman's Wharf Restaurant Association, absent allegations of wrongdoing by the Fisherman's Wharf Restaurant Association, such as those contained in the audit report, the Port has no legal basis to terminate the management agreement.

Indeed, this explains why the auditors prevented the Fisherman's Wharf Restaurant Association from presenting them with documents and other information refuting each and every allegation contained in the audit report regarding underreported revenue and overcharges of operating expenses, as well as the controller failed to follow mandatory generally accepted government auditing standards in conducting this audit.

Gary Burns, Fisherman's Wharf Restaurant Association, on behalf of the FWRA, affirmed the FWRA's commitment to achieving an audit report that is accurate. It is in this spirit and commitment that the FWRA once again requests, as it has done on many occasions previously, that the controller's office simply sit down with the FWRA and review the documents and information in the FWRA's position that refute each and every allegation contained in the audit report regarding underreported revenue and overcharging for operating expenses.

If the Port and the controller's goal is truly an accurate accounting based on all the information available, then there is no credible reason for the controller to reject this request for such a sit down. The FWRA requests that the Commission ask the controller here today if it is willing to accept that FWRA's invitation.

The individual members of the FWRA have had a long and beneficial presence at Fisherman's Wharf. For decades, they have been consistent sources of employment and generated tens of millions of dollars in rent revenue for the Port. The restaurants are enjoyed by locals and tourists from around the world. Each member of the FWRA is a well-respected member of the community.

Given this, it is surprising that the controller's office has, to date, prevented the FWRA from presenting documents and other information relevant to an accurate audit report. If the controller once again rejects the FWRA's invitation made here today, the FWRA looks forward to its opportunity to refute the controller's allegations in an appropriate forum, as well as its pursuit of any remedies available to it.

Timothy McDonnell, one of the owners of Tarantino's Restaurant and the past president for the last 25 years of the Fisherman's Wharf Restaurant Association, indicated that he is responsible for the lot during this audit. So whenever you see the FWRA in this report, please put my name in there, so you have a face and a name to go with the organization and the management. Having been the president for 25 years, he can say categorically that every ticket is and always has been accounted for. Every expense has been properly paid and accounted for and approved by himself and the Port. Management oversight has always been rigorous and continual. He knows because he has done it.

The city's audit report is the most inaccurate, incompetent, sloppy, unprofessional, and libelous document he has ever come across and he's seen a lot of audits. Their findings are provably and patently false. The audit process they used was flawed, incompetent, and, in his opinion, illegal.

Amongst many inappropriate things, they illegally removed tickets from their office and returned less tickets than they said they counted and prevented us from counting them again, which is always critical to any proper audit. Auditors never remove unverified documents from one's office, and they did this constantly. The audit is always performed onsite with professional representation present for both parties. This was not done and is clearly a violation of standard accounting and auditing procedures.

They audited four months of expenses and did not understand the most fundamental concept in accounting, accrual accounting. We all know what that means. Every single expense was properly paid and accounted for, period, because he did it. He approved every expense. He knew every dime coming in and going out. He has nothing to apologize for. The auditors audited for four months of expenses, and nobody ever does that. They always audit 12 months, because four months will tell you nothing. As the president, he specifically set up their accounting procedures, which included triple checking all tickets daily. Mr. McDonnell indicated that he brought six copies of their response and asked the Commission to go through it in detail. It's not a big picture. It's a detail.

Finally, for 27 years, the Port has trusted them and the Port has trusted the Port that we would operate the lot professionally and honestly. We have provably kept our end of the bargain. The FWRA lot management is professional, accurate, accountable, and transparent. Everything that this audit is not.

Jeffrey Pollack, Nick's Lighthouse, indicated that he's representing his own restaurant, Nick's Lighthouse on Fisherman's Wharf on Taylor Street. He's one of the members of the Fisherman's Wharf Restaurant Association. Also, he's the youngest one on the block. He's only been on Fisherman's Wharf for 19 years. His neighbors are long-term tenants, some being there for up to 85 years. These are the families who created Fisherman's Wharf. The majority of the owners are native San Franciscans, highly respected businessmen who have never had a mark on their reputations.

The Port-commissioned audit report is bogus. It is being used to wrest control of the Triangle parking lot from the Fisherman's Wharf Restaurant Association. He believes the truth of this scheme will come forth. However, to the responsible people of the Port and the controller's office who manufactured this situation, shame on you.

David Gavrich, San Francisco Bay Railroad, a fellow tenant at the Port, indicated that he wasn't expecting to talk on this point, but he picked up a copy of this audit at the desk outside and took a look at it. He's a bit confused, as a city taxpayer. He's a resident of Bernal Heights and a fellow tenant. He doesn't see anything in this report that actually kicks the FWRA out. Instead he sees some simple requests or points made about basic accounting practices. His question in this report is about what's missing in it, not what's in it i.e. what happened to the other 13 years? It looks like it focused on two years, 2006 through 2008 but what happened to the other 13 years since 1994? Is something going to be done to look into this? We're talking about a lot of revenues. By his calculation, there's a difference between what came to the Port and what came in through the gate there of about $32 million. Of course, there's expenses for running a parking lot. The Port Commission needs to drill down and get a little more information about what happened with the 13 years before these two years of discrepancy.

Commissioner Lazarus asked Ms. Lediju to speak a little bit about other work that her department has done in terms of other city parking lots. She assumed this would not be the first parking lot that they've audited.

Ms. Lediju replied that this is not the only parking lot that they've audited. On their website, they've just released the Portsmouth audit parking lot. They are constantly working with MTA and looking at their parking lots. Several years ago, they've looked at several of the parking lots here at the Port.

They have limited resources in terms of how much work they can do so they get around to them as quickly as they can. Even in this current year and she's new with the department, they are actually contracting out some of their garage audits so that they can get more parking lot audits done.

This particular parking lot is not the only parking lot that they've done. They have not singled out FWRA and the Triangle parking lot. It's part of the scope of their duties. Prior to the request by the Port in 2008, this parking lot was actually on their concession list audit for an audit. Prior to her coming, the prior Audit Director and prior Port Director had not opted to do this particular audit.

Commissioner Lazarus asked if there are a certain set of standards that they use for auditing a parking lot or garage that might be different from doing any other kind of management or financial audit. She's had some prior experience with garages and has always been led to understand that there are certain things that you had to look for in terms of that kind of operation.

Robert Tarsia replied that there are certain procedure steps that are standard in all audits, like gaining a familiarity with the agreement, with any laws, regulations, those kind of things that are required under government auditing standards. For parking audits, there are specific audit steps that need to be performed, just like for any particular special audit. For instance, in parking

audits, the unbroken sequence of tickets is key. That's one particular procedure step that weighs pretty heavily in parking audits. We have a rather detailed audit program that we use for all our parking audits. This was not subjected to any additional procedures. The difficulties we found were in the source documents, the records.

Commissioner Lazarus asked if they would generally consider a good management practice to institute one of these when they're overseeing a parking lot periodically. Tonia Lediju replied affirmatively. Commissioner Lazarus asked if they were aware whether the FWRA ever did an audit of city parking. Tonia Lediju replied they were not aware.

Robert Tarsia indicated that the Controller's Office is moving to what they consider to be a more risk-based audit plan where they actually go to the departments and say, "We should audit this," as opposed to being more passive. They've been moving in that direction for the past couple of years. He's been with the Controller's Office since 2003. This has been on his wish list since 2004. They did a number of parking audits in 2004, 2005 at the Port. They found substantial problems and those reports are on their Web sites, with the Port's oversight of those agreements as well. In this case, they found some of the same difficulties, and then some.

Tonia Lediju indicated that one of the statements she'd like to make in response to public comment is that with regards to following government auditing standards, what the FWRA must understand is they're not the auditee. The auditee is the Port. They have the responsibility and the oversight, and we're auditing the Port and how they have handled the management agreement. They, as a subcontractor, are also subject to the audit. Out of courtesy, we provided a draft copy and an opportunity to respond. There was a request to ask the Controller's Office to review additional documentation. We did a rebuttal to their response, and if you look at our response in the audit, at no time did we reject to review any of their documentation. We extended the audit response period on three occasions, keeping in mind for timeliness we need to move our product out the door, and the request is from the Port that we want their response and it was a courtesy to the subcontractor. By no means at any time were we unprofessional. By no means were we out of scope of how we handled the audit with government auditing standards.

Commissioner Lazarus Indicated that the audit firms have to undergo peer reviews. She asked if, as a city organization or agency, they are subject to that same kind of review.

Tonia Lediju replied affirmatively and added that they are currently preparing for peer review. Her goal is that the peer review will happen in the first quarter of the next fiscal year, 2011. They plan on contracting for a peer review. Their review is subject to government auditing standards, and are subject to a peer review as well.

Commissioner Brandon indicated that Commissioner Lazarus asked most of the questions that she was going to ask. She's concerned on both sides: the Port's oversight, but she's not as concerned at the lack of administrative oversight as she is of an appearance of misappropriation of funds and the steps that we need to take to correct that. She's happy that we have put out an RFP, and we will have a new or not. We'll have new responses, but we'll be able to implement most of these recommendations with the operator whether it's the current or a new operator. She's also concerned that the Port staff over the years has not done the appropriate management. She'd like that addressed a little bit. If we were to keep the same operator in place, or if we were to get a new operator, what would change on the Port's behalf in managing that operator?.

Monique Moyer replied that a lot has changed in the methodology for delivering parking services. Most importantly, that the Port made a policy decision decades and decades ago that the success of our restaurants and the success of the Port's contribution to San Francisco's tourism is utmost important to us, and we still stand by that. We believe that, and we have proof through our other parking lots, that there are other ways to deliver parking availability to those customers, and it is imperative that those customers have a place to park when they visit the waterfront. That is not the question here.

The Port's procedures, what the Port does day in and day out, is manage leases. We have over 500 leases that we manage. All our protocols, our systems, our management procedures are set up to manage leases. The Port is not really skilled or in a position to opine on what is the appropriate amount of expense for cleaning a bathroom, a bathroom which Port staff also clean, or to engage in whether or not there are security around the clock at the parking lot. If we did, we'd manage that in-house, and we have elected long before my time to do that management on a contractual basis.

She agreed with Commissioner Brandon that there's nothing about this audit or the Port's request for proposals that in any way is a reflection on the Fisherman's Wharf Restaurant Association's ability to be our operator going forward. There is a very firm policy decision to enhance our management of the public property that is under the Port's jurisdiction and to do it with the tools that we know how to use best, and that is a lease agreement.

Most of the things that the Controller's Office has highlighted for the Port, for the Restaurant Association, or for the operator, will be much better managed and much less subjectively managed through moving to a lease agreement from a management or an operating agreement.

Commissioner Shakofsky indicated that it's her understanding that the Port will be sending a letter to the Fisherman's Wharf Association with an opportunity to cure the issues that have been raised by the auditor's report.

Monique Moyer indicated that there was some mixing of terms in the public comment today. The Port continues to have an agreement with the Fisherman's Wharf Restaurant Association until we move through our bid process and move to a lease agreement.

That is unrelated to the findings of the audit, which we will undertake separately. She personally agrees with some of the comments that were made. She has faith that there are very skilled businessmen who are part of this operation who can come forward and help resolve these issues. She heard a lot today, and in their response, that they have the appropriate documentation, and it's a matter of us all sitting down together and resolving the issues. She knows that they are as committed to the Port as we are, and she knows that they will come forward and help us clarify misunderstandings and resolve issues. So she doesn't know if we'll be sending them a letter, but it certainly will be good for us to sit face to face.

Commissioner Shakofsky indicated that she was just reading our response to them. It was her understanding that we were.

Ms. Moyer indicated that we will follow up with a letter as well, but it sounds like they have a lot of documents that they can provide to us and we can review.

Commissioner Lazarus asked if we will, again, have a staff report on this at the next commission meeting.

Ms. Moyer replied that our next Commission meeting is almost a month from now. We could certainly do a follow-up on our status with resolving the audit issues if the Commission so desires.

Commissioner Lazarus asked if we are committed to following through with the forensic audit as a next step.

Tina Olson replied that we have already committed to following through with the forensic audit, in large part to answer a lot of the questions that the Restaurant Association brought up in their response, which is that they've asked us, at least through the city controller, to look in more detail. That's what the forensic accountant will do.

Commissioner Lazarus asked about the process for selecting that accountant.

Tina Olson replied that the Controller's Office is in the process of putting together an as-needed pool of auditors. In that as-needed pool of auditors they'll have forensic auditors, and the Port can access that contract. He said they should have it done in January, which means we can start that process to set up a contract service order through the Controller's as-needed contracts for forensic auditors.

Commissioner Lazarus asked about how long it might take.

Ms. Olson replied that at the Port it could take a couple of weeks to go through that process but deferred to Robert Tarsia for more information.

Robert Tarsia indicated that would depend on how far back, what period. We only cover two years, but as one of the speakers mentioned, there's many years of the management agreement. It would depend on the scope, duration. As far as the Controller's list of forensic auditors and other auditors, our draft RFQ is currently with the HRC and the City Attorney's Office. We hope to hit the street with it within two weeks. After that, there's the whole certification process that needs to happen, and after that there's contracts but we hope to be able to form contracts by January.

Tonia Lediju added that when you bring in a forensic auditor, the condition of the records is really important for the forensic auditor. She was not here when we started the audit. She just started here so she had not gotten to this particular audit to review with the staff. Initially, her sense would have been: No, we're not going to continue on with this audit. We would have called the records unauditable and asked for something else to be done, just because we had to reconstruct. Just in that case, it would take a forensic auditor quite some time, unless they have a large staff. As Robert stated, it depends on what period. As stated by one of the comments, you have 13 more years that potentially have not been looked at. So how far do you think it's reasonable to go back for assurance? And we're not asserting that there's wrong-doing. We're saying based on the work that we've done, this is what we've found, and this is what your records look like. They very well may be able to provide additional information, and the forensic auditor would be able to construct those records in the manner they need to move things forward on their behalf.

Commissioner Lazarus asked if she has a recommendation as to what the scope of that next audit should be.

Ms. Lediju replied that she would look at least at five years. She would look, since you're contracting out, potentially, every month. It is not uncommon, as was stated, that you do an audit, and you do a sample period. Technically, if she used a statistical sampling on this audit, she would have tested less transactions than we actually tested in this audit to come up with a 95 percent confidence level. She could've tested maybe 25 to 30 transactions if she did a statistical sampling and projected out to the total population saying, "Here's the finding, and for this period of time I'm going to project out." But because of what we found, we were trying to recreate the records to determine what actually occurred. We did 100 percent testing of three days. No, we didn't take 24 months and look at 24 months of revenue. If the records were in good shape, she could've taken four months and seen consistently what they were doing to determine are you really doing accrual-based accounting? No. Are you doing cash-based accounting? There is definitely a difference.

Commissioner Shakofsky thanked the auditors for the presentation and looks forward to moving this issue forward.

B. Request approval of the Port's FY 2009-10 Employment Training Program funded through a $300,000 Board of Supervisors appropriation to the Port's FY 2009-10 budget. (Resolution No. 09-69)

Tina Olson, Deputy Director of Finance and Administration, indicated that we had noted this summer when we came back with the Port's final 2009-2010 budget that the Board of Supervisors had cut about $300,000 from the Port's budget and then added it back for an employment program. At that time, we were just putting together what that employment program could look like. Then we told the Commission we'd come back for approval.

We put together an employment program for fiscal year 2009-2010 that we believe met the Board of Supervisors' objectives and tried to spread it out amongst all the Port divisions to make sure that we had proper supervision, and that there was a lot of variety in the types of positions. We were able to take advantage of an American Reinvestment Act funds that would fund 80 percent of the cost if you were to hire certain types of employees, and its unemployed single parents.

The Department of Human Services has that program. They actually have people in those types of requisitions the Port can take advantage of. They would send over a couple people when we give them the job descriptions. So we've proposed about seven of those positions at the Port.

We also seem to have an endless need and desire for college interns, so we're also proposing to hire seven college interns. An agreement with Supervisor Avalos and the Board of Supervisors -- we agreed we would target San Francisco college students from low-income families, with financial aid being some sort of substantive proof that they are from low-income families.

Finally, we're proposing to amend the San Francisco Conservation Corps contract that the Port has, adding $100,000 to focus on the Southern Waterfront beautification efforts they've been working on so far with the Port. That's how we came around with a $300,000 program. It does spread it out, and we have people working in virtually every division at the Port. Everybody she's worked with agreed to mentor somebody, and that there's real work, and these are real jobs that really will benefit the Port while providing job opportunities for low-income San Franciscans. The Board of Supervisors Finance Committee approved the program last week and released the funds.

ACTION: Commissioner Lazarus moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor. Resolution No. 09-69 was adopted.

10. ENGINEERING

A. Request approval of award of contract to KMD Architects & Pfau Long Architecture JV for Architectural and Engineering Services for the Pier 27 Cruise Ship Terminal in the amount not to exceed $2,419,440, and a ten percent contingency of $241,944 for future change orders or contract modifications and request approval of DPW's fees in the amount not to exceed $1,611,043, and a ten percent contingency of $161,104 for future changes or additional work. (Resolution No. 09-70)

Kim von Blohn, Project Manager for the cruise terminal project, recapped the progress since June when we came before the Commission to request authorization for the Port to enter into a memorandum of understanding with DPW for the project management and architectural and engineering services for the program phases from project development, conceptual design, through the schematic design. In order to augment the services of DPW, DPW staff issued a request for qualifications soliciting professional architectural and engineering services from a specialized cruise terminal design consultant that would provide comprehensive programming, planning, architectural, engineering, and related services to the project.

The deliverables out of that effort include several specialized studies. One was suggested by the Bar Pilots, where there'd be hydrodynamic simulation studies of actually berthing passenger ships at Pier 27 under various flood and ebb tide conditions. In addition, there'll be a follow-up of the review of the vehicular circulation between the city streets system and the terminal, and the passengers and materials handling areas necessary for the conversion of existing building, landside, and waterside interface.

Most importantly, there would be a deliverable at this stage of three conceptual studies along with cost estimates due in June. These studies will look at three levels of the cruise terminal design. One is a bare-bones cruise terminal with all the basic characteristics to handle about 3200 passengers, which is in line with the larger cruise ships that we're seeing today. The next level up would include that plus the northeast wharf plaza and the valley in between Piers 27 and 29, some retail space where we'd do a core and shell build-out and also some space for special events, activities. These would bring in additional revenue to the Port when there's no cruise ships in call. Then the third level is sort of a futuristic passenger terminal that could include 4400 passengers. This would include dual gangways and other features of a larger terminal.

In the end, what we hope to do is when we have the cost estimates, look at the various features of all these concepts and pick-and-choose the best of each one to meet our project budget. This is due in June. There'll be a public process that Dan Hodapp will talk about later that will bring the public and the Port Commission and other stake-holders into the process.

Following agreement on how to proceed into the next phase, there'll be a schematic design, a preliminary design, in which case this chosen concept will be built out and further fleshed out with a new cost estimate. We intend to wrap up that effort by the end of the year. At that time, we'll come back to the Port Commission with the proposal to move forward from there.

During this period from June until now, DPW also hired a dedicated project manager, Valerie O'Donnell. Miss O'Donnell will summarize the process we used to select the consultant, and then she'll introduce the principals of the consulting firms that we've recommended. Next, Dan Hodapp from the Port planning staff will explain the project's approach to public outreach. Finally, he'll summarize the recommendation and resolution request to the Port Commission.

Valerie O'Donnell, DPW Project Manager for the Pier 27 project, which will include the cruise terminal and a two-acre plaza, indicated that she's absolutely thrilled she's spearheading this project with the Port. It's an amazing project, and by the time it's finished we're going to have a cruise terminal that is going to be up there with the best in the world. Hopefully we will also have a space where we can do special events, which will bring in revenue for the Port. In addition, we're going to create a really beautiful plaza, which will be both for the community and tourists alike.

She's delighted and excited to be part of this great project. Her excitement is only exceeded by the excitement that the RFQ generated. We had an incredible response to the RFQ, with 144 firms requesting the RFQ package, both nationally and internationally. This is an important project and how excited people all over the world are about it.

In the end, there were eight proposals that met all of the qualifications. Each proposal had the architects and a cruise consultant, and a host of specialty consultants. A five-member panel was chosen to judge the written proposals. We each had to score the eight proposals, and then the scores were averaged, and the top four organizations were chosen for a presentation and an interview. It was quite the effort to score the eight proposals. She was in Miami in the heat, and it was a very difficult process. In the end, we came up with the four organizations that we wanted to interview.

The interviews were rigorous. Again, each of the five panel members rated each firm. Each of the four firms had 50 percent of their score from the written proposal, and 50 percent of their score from the interview. Each of the two joint venture proposals, where one of the firms was an LBE, was judged by the Human Rights Commission and was given an additional rating bonus of 7½ percent.

The HRC rating sheet shows how the firms were rated. The winning team, or at least the team with the highest points, was the joint venture of KMD Architects and Pfau Long Architecture. Both of these firms are architecture

firms in San Francisco, in association with Bermello Ajamil, a world-renowned cruise terminal consultant.

Obviously, we're very interested in seeing as much as possible of the design work stay in San Francisco. This is of critical interest to all of us. The Human Rights Commission has a requirement that 17 percent of the team be local business enterprises from San Francisco. This joint venture has achieved an amazing 44 percent LBE participation in the project. In addition, there are other San Francisco firms in the team who are not LBEs.

The Port, DPW, and the city attorneys have been in contract and fee negotiations with KMD-Pfau Long and have reached agreement both on the contract and on the fee. Subject to the Port approving the award of this contract today to KMD Architects and Pfau Long Architecture for program concept and schematic design, we plan to sign the contract on Friday and issue the notice to proceed shortly thereafter.

She's looking forward to working with the Port, Commissioners and members of the Port team, the architects, and the community to make this a fantastic project that the Port and the people of San Francisco truly deserve.

She introduced the principals from the joint venture: David Hobstetter from KMD Architects and Peter Pfau from Pfau Long Architecture, who will provide a brief background about their firms and about the integrated project delivery model with the DPW architects and engineers.

David Hobstetter, KMD Architects, indicated that as Valerie said, this is envisioned as a fully integrated project delivery process where we will be working hand-in-hand with both Port staff and the DPW staff to deliver this project to the city. KMD is a firm that was founded in San Francisco over 40 years ago. We're one of the largest firms practicing in San Francisco, and we have a global practice. We work on virtually every continent around the world, currently. Peter Pfau started his career at KMD 25 or 26 years ago. He and Peter are old colleagues from KMD, and remained friends over the years. Thinking about how we would put this team together, and knowing Pfau Long's experience with community architecture, in particular recently, the new SPUR Center on Mission Street and the LGBT Center on Market Street, we thought this was a wonderful opportunity to bring two teams together that had similar values and a similar commitment to the City of San Francisco.

One of these values is a commitment to sustainability. KMD is completing the PUC headquarters in the Civic Center right now. We've just broken ground. This is targeted to be the greenest urban building in the United States. It'll have new, innovative technology such as wind turbines and a whole host of other sustainable features. Peter's going to talk a little more about the other values that we feel are important to deliver with this project.

Peter Pfau, Pfau Long Architects, indicated how excited the team is to have the opportunity to help the Port and the city with this project. It's an amazing opportunity to put in the missing piece on the waterfront here with both public space and its relationship to the cruise terminal and an amazing opportunity to contribute to the area. We look forward to participating in a process working with the Port. Dan Hodapp will talk about how to be good listeners and listen to the community around the cruise terminal and public space project and make sure that we have the best outcome for the Port.

We have experience doing that on a number of projects in the city and look forward to assisting with that process and assuring that we have the best outcome for both the Port and the City of San Francisco.

David Hobstetter added that part of this will be framed by the cost for the project, and as has been mentioned, we'll be looking at three different options. Part of that study will look at not just the first cost, but long-term costs. When you integrate sustainable approaches, it's really important to look at the long-term operation of the facility. We're looking forward to considering other uses that could be used at night or on the weekends. In fact, this building will only be occupied by the cruise terminal users probably 10 percent of the time. So there'll be lots of time in here to integrate in other interesting business ventures that the city can bring in here.

Peter Pfau indicated that they also have a strong commitment to making sure that it's a vital building, so that in the times when it's not used by the cruise terminal, that we really do have some successful use of that and have looked at models in other cities and really look forward to a process where we try to assure its vitality as sort of economic engine for the area.

David Hobstetter thanked the Commission for giving them the opportunity to present themselves today. This is an amazing project, as Valerie and Kim pointed out, and we hope to be partners working with you and the rest of the city in delivering it.

Commissioner Lazarus asked what brought the two firms together to bid on this project.

Peter Pfau replied that he and David share a commitment to sustainability and have tracked on both of their projects, various efforts in that respect. That's a commitment we bring to this project, to try to deliver the most sustainable project we can as a kind of core value of San Francisco that we hope to project to the world.

David Hobstetter added that they also do long bike rides on the weekend together.

David Hobstetter indicated that Valerie mentioned B&A. They will be their cruise terminal consultant and will provide the majority of the functional

planning for the cruise terminal related elements. They are the preeminent cruise terminal planning firm in the world. They are currently doing virtually every cruise terminal in the world that's under design or construction right now.

Peter Pfau added that there's amazing wealth of knowledge of the industry, the future of the industry, and the operational aspects of the industry that we bring to the table, that will help us answer a lot of the questions, and relationships with numerous players in the cruise terminal industry that we can draw upon to make decisions as we move forward.

David Hobstetter added that the other thing that perhaps is worth mentioning is that this is a well-oiled, experienced team from previous work together. It's a San Francisco team. We've worked with virtually every local consultant that is a member of this team in the past successfully. This is a team that will really be able to deliver this without a hiccup.

Commissioner Fong asked with all the other cruise ship terminals in the world the goal of sustainability and having this cruise ship terminal for multi-event use, will that be studied and looked at in all three scenarios - the cross-over of events space, etc.

David Hobstetter replied that it will not be. The events space is looked at in two out of the three. The baseline proposal will not have the mixed-use in it - alternates two and three. All schemes from a sustainability standpoint will meet a minimum LEED goal, which is a city requirement. They hope, in some of the schemes, to exceed that.

Dan Hodapp, Planning and Development, indicated that he is thrilled and humbled to be part of this cruise terminal team, working with the quality staff of DPW, as well as Peter and David.

Within the next 8 to 10 months, there will be many opportunities for the public to learn about and participate in the Port's development of a concept design for the cruise terminal and the northeast wharf plaza as those two projects become one. We'll conduct a public participation and review process that meets both the Port's and the BCDC's public process desires and requirements.

First, following the design team's initial site evaluation and program development in early 2010, there will be a review of the project program by the steering committee. The steering committee is composed of Port senior staff and outside experts that will provide input to the Port and the design team in early stages of the project. The design team will then develop a variety of possible design alternatives. Then there would be a review of these multiple project alternatives by the steering committee. Next would be a public presentation of the multiple project alternatives to the Port Commission in an informational presentation, followed quickly by a public workshop for

interested citizens to review and participate on the multiple project alternatives, putting many ideas out there for the public to weigh in on at an early time. That would quickly be followed by a review of the multiple alternatives at a public hearing before the BCDC's design review board and the Port's Waterfront Design Advisory Committee. That's round one of the public hearing.

Following further work by the design team there would be a second, similar, round of review, including a workshop and design review hearing of the concept design -- the culmination of what was learned in that first round. The concept design would reflect the desires and comments from the first thing.

Again, it would be a review by the steering committee, an informational hearing in front of the Port Commission, a public hearing, a public workshop to again examine, let the public participate, in how that project is being shaped in another round of design review in front of the Port's Waterfront Design Advisory Committee and BCDC's Design Review Board.

Also, as is the Port's customary practice, the concept design would be presented to waterfront advisory groups and interested citizens, neighborhood, and civic groups prior to the Commission being asked to consider selecting one of the three alternatives that were described earlier. Once a concept design is selected, the environmental analysis will move forward as will the design team's schematic design and design development stages, both of which would involve opportunities for the public to comment on the cruise terminal and northeast wharf plaza project.

Kim von Blohn indicated that we have a terrific team. There's a lot of synergy between DPW, Port staff, and these very creative architects and the cruise terminal designer. We're anxious to get going. We'd like to sign our contract Friday. We're all dressed up and ready to go.

Commissioner Hardeman indicated that this almost became the fastest thing. Ms. O'Donnell would have never got to speak on it if we would have just acted on his motion. He's glad we got to hear from her and everybody else. This is very exciting since Pier 32; he was on the Commission when it was approved. Finally with the blue ribbon panel picking Pier 27, and the brilliance of involving DPW, that was a great idea, keeping our city people employed. The team looks wonderful. The sooner the better that we get the shovel in the ground.

Ms. O'Donnell thanked the Commissioner for his comments.

Commissioner Shakofsky indicated that one of the things that we discussed on this plan as we looked at long-term revenues was that the event center would be a large revenue generator. She's curious about the base-level plan, which is essentially just a sprucing-up of our existing facility. She doesn't think

there would be any event revenues from plan 1. We are looking at, or hoping to look at, some other revenue sources.

Tina Olson replied that part of what we were trying to accomplish with the three different design scenarios is to say: The first scenario is what do we need to just have a cruise terminal? What is it going to take just to have a cruise terminal? What would that cost us, the base-level cruise terminal? The other two scenarios are: We're going to have a restaurant in front and special event space, and those are going to generate revenues. So what's the delta between that base cruise terminal, that first scenario, and then the second and the third scenario would be much more spruced up. The second scenario would also have the restaurant and the special event space would have some added features.

Then we can look at the revenues that we've estimated we could generate from the restaurant and the special event space and do a real cost-benefit around those two scenarios. We're in the maritime business. We're going to do the cruise terminal -- what would that cost us? These other two uses are above and beyond, but they're going to generate revenues.

Commissioner Shakofsky thought we had made the decision that we wanted to go to the event center and higher plan.

Tina Olson replied that she imagines that's exactly what we're going to do. She wanted to be able to say what that floor is and then what's added on top of that. It would, of course, be the Commission's decision when the designs are presented to the Commission. That was to be able to quantify what that differential is and what the financial benefit is to the Port.

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor. Resolution No. 09-70 was adopted.

B. Request authorization to award Construction Contract 2719R for Pier 45 Drainage Improvements to A&B Construction, Inc. in the amount not to exceed $1,394,400. (Resolution No. 09-72)

Commissioner Rodney Fong recused himself on this item. Commission Vice President Shakofsky presided over the meeting.

John Mundy indicated that he was before the Commission last month with one of the economic stimulus projects that was awarded to the City of San Francisco - the Pier 45 drainage improvements project. On September 22, 2009 the Commission authorized staff to put the project out for bids. Earlier this month we received seven bids, an indication of just how competitive the bidding environment is in San Francisco with the current economic downturn.

The bids were rated not against the local HRC requirements but against the federal disadvantaged business enterprise requirements, which actually are a little more aggressive than our local requirements. Even though they are best faith goals, they do set a higher bar. So we have a low bid for the construction.

The construction includes improvements to the drainage along the west apron of the Pier 45 shed, which is the fish processing area. The goal is to prevent the pollution that collects along that apron from discharging into the bay where it becomes seal food and also putting out a manifold of pumps to pump out the contents from the bottoms of the boats when the boats are done transferring fish to the fish-processing facilities. Otherwise the contents of the holds would be discharged directly into the bay in violation of the Clean Water Act and water code.

In the summary for the contract, we had the base bid, which was basically the drainage system and a new pump station, and then we included the herring pumps as a bid alternate, the reason being that you can see the range of bids that were received. We had a little less than $1.6 million available that was remaining in the stimulus funds we received. We were given the opportunity to return to the State to ask for additional funding, if necessary. So we carved out a portion of the project -- that being the herring pump manifold -- and called that an alternate. If our low bid exceeded the available funds, we would treat that as an alternate item, go back to the State to seek the additional funds, and then award that at a later date. Happily, both the base bid and the alternate bid came within the available funds, so we are able to award the contract. We have a total of 28.3 percent DBE participation. That participation has been reviewed by the Human Rights Commission.

We did have a slight snag with the HRC review. Originally the low bidder, A&B had come in with 50.3 percent participation. Unfortunately, they didn't provide adequate detail for one of their DBEs, and there are very strict contracting requirements that the State administers, basically requiring us to reject that DBE participation, and that A&B, the prime, would have to step in as a qualified Class A contractor to take over that work. They still meet the DBE goal; they are still in compliance with State contracting requirements. It's been reviewed by the Human Rights Commission and the City Attorney's office, and we've got a sound bid. We're ready to award, and we're ready to start construction.

Commissioner Brandon asked about the DBE participation - who the firms are and the subcontractors.

John Mundy replied that we have three DBE contractors participating. For the trucking discipline we have Team North. They're a registered local MBE. We're giving them $90,000 worth of work. For electrical contracting we have Phoenix Electric. Again, a local MBE, and we're giving them $108,000 worth

of work. For paving we're giving $94,000 worth of work to Stoloski & Gonzalez, another MBE. That's a total of 28.3 percent DBE participation.

Commissioner Shakofsky commented about the recovery funds. The story is they come with an overabundance of oversight.

John Mundy replied that he is spending all day Thursday in Sacramento and being lectured and schooled on these requirements, so we're very aware.

ACTION: Commissioner Lazarus moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor. Resolution No. 09-72 was adopted.

11. NEW BUSINESS

12. PUBLIC COMMENT

Paul Charlton, Pier 38 Marina Concept John Charlton, introduced himself and the Pier 38 Mega Yacht Marina concept. It's still at a conceptual stage. He wanted to initiate a process of engaging in some dialogue and getting public feedback on the concept that we're presenting and move it through the appropriate process here at the Port for development and see if it's a viable proposal from the Port's perspective and from the perspective of the public at large. BCDC has previously approved plans for a marina at Pier 38 and approved that as a use of the space and the coverage. If we look forward a bit in our vision we can have 20 to 30 mega yachts at San Francisco. They typically bring in on an annual basis 15 percent of their value in goods and services purchased from the community, as well as some direct revenues in terms of rents and other employment opportunities for local people. The lease uses would certainly be made to be compliant with the Burton Act and the public trust that the people of California have given to the Port. From an economic perspective with the 20 to 30 mega yachts, he anticipates being able to generate over $140 million of annualized revenue into the community as well as direct revenue to the Port for its operations of over $1 million on an annual basis. Also the proposal would allow the Port to avoid $50 million in projected capital expenses because it's something that we would be willing to take on ourselves and take that off the Port's list of responsibilities. For the next steps: planning review, negotiating some amended lease terms, facilitate extension of the BCDC's site permit, and public presentation to the Port Commission and interested parties. He gave the Commission a copy of his proposal.

13. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval to adjourn the meeting; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

Commission President Rodney Fong adjourned the meeting at 5:45 p.m.

SAN FRANCISCO PORT COMMISSION

Rodney Fong, President
Stephanie Shakofsky, Vice President
Kimberly Brandon, Commissioner
Michael Hardeman, Commissioner
Ann Lazarus, Commissioner

Monique Moyer, Executive Director
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Phone: 415-274-0406; Fax: 415-274-0412

AGENDA
TUESDAY, DECEMBER 8, 2009
2:00 P.M. CLOSED SESSION
3:15 P.M. OPEN SESSION
PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

PLEASE NOTE THE TIME OF THE MEETING

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk.

If any materials related to an item on this agenda have been distributed to the Port Commission after distribution of the agenda packet, those materials are available for public inspection at the Port Commission Secretary's office located at Pier 1 during normal office hours.

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1. **CALL TO ORDER / ROLL CALL**

2. **APPROVAL OF MINUTES** - November 10, 2009

3. **PUBLIC COMMENT ON EXECUTIVE SESSION**

4. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

      (1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER AND ANTICIPATED LITIGATION.

         a. Discuss existing litigation matter pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d) (1 case) (Discussion):

A12082009

City and County of San Francisco v. William Dawson dba Seafood Suppliers, Inc. (San Francisco Superior Court, Case No. CUD-06-620512)

b. Closed session authorized pursuant to California Government Code Section 54956.9 (c) and San Francisco Administrative Code Section 67.10(d):

Number of potential cases: 3 As Plaintiff

Proposed settlement of Port's property damage claim against Recology/Golden Gate D&R Co. for damage to the Pier 9 shed caused by a motor vehicle collision on July 9, 2009. Proposed settlement of Port's claim for payment of $13,219.36 to the Port, in exchange for a full and final release of claims. (Discussion and action item.)

Proposed settlement of Port's property damage claim against Joe Nazar for damage to the Hyde Street Harbor dock caused by a vessel collision on November 8, 2008. Proposed settlement of Port's claim for payment of $13,964.73 to the Port, in exchange for a full and final release of claims. (Discussion and action item.)

5. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

C. Vote on whether to approve proposed settlement of anticipated litigation, claim against Recology/Golden Gate D&R Co., and claim against Joe Nazar (Also listed above, Executive Session, Item No. 4A. (1)b.)

6. ANNOUNCEMENTS

A. **Announcement of Prohibition of Sound Producing Devices During the Meeting**

Please be advised that the ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

B. **Announcement of Time Allotment For Public Comments**

Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

7. EXECUTIVE

A. Executive Director's Report
- Schedule of Port Commission Meetings for 2010
- Seven New Cruise Bookings for 2011
- Commendation for Belen Afable, Personnel Analyst, on her retirement
- Commendation for Nilda Casipit, Principal Administrative Analyst, Accounting, on her retirement

8. CONSENT

A. Request authorization to advertise for Competitive Bids for Contract No. 2736, Marine Structural Project II, for repairs of the Hyde Street Harbor Fuel Dock Substructure and the Ferry Building North Public Plaza. (Resolution No. 09-73)

B. Request approval of Port projects to be funded in the second sale of 2008 Clean and Safe Neighborhood Parks General Obligation Bond. (Resolution No. 09-76)

9. MARITIME

A. Request approval of First Amendment to Lease No. L-14282 with the San Francisco Bar Pilots Benevolent and Protective Association for a one-year rent deferral of the new rental amount and a two-year lease extension for space located at Pier 9. (Resolution No. 09-74)

B. Informational Presentation on Proposed Water Taxi Service at the Port of San Francisco.

10. PLANNING & DEVELOPMENT

A. Informational Presentation regarding the National Park Service's (NPS) interest in developing an NPS Visitor Center including an Alcatraz Embarkation facility on the San Francisco Waterfront.

B. Informational Presentation regarding interim development concepts for the Ferry Plaza and Ferry Building area.

11. ENGINEERING

A. Request adoption of the San Francisco Stormwater Design Guidelines and Recommendation of Stormwater Ordinance to the Board of Supervisors. (Resolution No. 09-75)

12. NEW BUSINESS

13. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

14. ADJOURNMENT

FORWARD CALENDAR (Targeted Commission meeting, subject to change)

- Election of Port Commission Officers (January 12, 2010)
- Informational presentation on the revisions to the Port's Building Code (January 12, 2010)
- Informational Presentation on Pier 33 Sidewalk Improvement Project (January 12, 2010)
- Informational presentation regarding the San Francisco Public Utilities Commission Wastewater Enterprise Biosolids Project which will rebuild the Southeast Water Pollution Control Plant digesters with a new state-of-the-art facility, including project need, siting alternatives (including a Pier 94 Backlands option), and schedule (January 12, 2010)
- Request approval of Lease for Bid Opportunity A for surface parking in the northern waterfront (January 12, 2010)
- Request approval of second amendment and mutual partial terminal agreement for Lease No. 12782 between the Port and Blue and Gold for premises located at Pier 9 (January 12, 2010)
- Request approval to assign Lease No. L-13395 from RMC Pacific Materials, Inc. to CEMEX Construction Material Pacific, LLC (concrete batching plant at Pier 92) (January 12, 2010)
- Informational presentation of Maritime Visitor-Serving Facilities Lease Amendment/ Extension/Renewal Policy (January 12, 2010)
- Request approval of one year lease with Harbor Bay Maritime for portion of Pier 48 south apron (January 12, 2010)
- Informational presentation of PG&E's sediment contamination survey for the marine area off of the Potrero Power Plant (February 9, 2010)
- Informational presentation on the Port's Annual Operating Budget for Fiscal Year 2010-11 (February 9, 2010)
- Informational Presentation on the Port's Proposed Capital Project Budget Funding for Fiscal Year 2010-11 (February 9, 2010)
- Request authorization to advertise for competitive bids for Construction Contract No. 2732, Mission Bay Shoreline Protection for Bayfront Park Project (February 9, 2010)
- Informational presentation on the Revised Preferred Master Plan for Pier 70 and development solicitation process (Date to be determined)
- Informational presentation of an outline for a possible Waterfront Arts Program, located at several sites along the entire length of the waterfront (Date to be determined)
- Request authorization to enter into an Exclusive Negotiation Agreement with Seawall Lot 337 Associates, LLC to explore a mixed-use development project at SWL 337 and Pier 48 (Date to be Determined)
- Request approval of the Port's Interim Leasing Policy for Historic Structures (Date to be determined)
- Request approval of a one-year interim license agreement, and approval to seek Board of Supervisor approval of a 66-year lease/easement agreement and a 66-year right to use permit/agreement, between the Port and Peninsula Corridor Joint Powers Board, for use of property located along Seventh Street in the Mission Bay

Redevelopment Area to support existing passenger rail uses for public purposes (Date to be determined)

- Request authorization to enter into a Memorandum of Understanding with the San Francisco Municipal Transportation Agency for the Port of San Francisco to relinquish its rights to cargo freight rail service north of Cesar Chavez along Illinois Street (Date to be determined)

COMMUNICATIONS TO THE PORT COMMISSION FROM NOVEMBER 6 TO DECEMBER 3, 2009:

- From Instituto Laboral de la Raza, invitation to the 2010 Labor Awards Dinner on February 12, 2010 at the San Francisco Hilton Hotel
- From Michael Theriault, San Francisco Building and Construction Trades Council, invitation to the 49th Annual Moose Feed Luncheon on December 11, 2009 at the San Francisco Hilton Hotel
- From Port staff, copy of a letter to Ron Miguel, President of the Planning Commission, regarding the Northeast Embarcadero Study Informational Hearing
- From Port staff, copy of an email to Nunzio Alioto, Fisherman's Wharf Restaurant Association, regarding audit meeting with the Port
- From Paul Charlton, General Manager of Pier 38 Marina LLC, regarding his proposal for a MegaYacht Marina, Pier 38 Marina Concept
- From Anchor Brewing Company, invitation to their 35th Annual Christmas Ale Party on December 3, 2009
- From the Association of Pacific Ports, invitation to the 2010 Mid-Year Conference on January 14-25, 2009 in Hawaii

JANUARY/FEBRUARY 2010
CALENDAR OF UPCOMING PORT MEETINGS – OPEN TO THE PUBLIC

DATE	TIME	GROUP	LOCATION
Jan. 12	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building
Feb. 9	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building
Feb. 23	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com. Contact Amy Quesada at 274-0406. The Port Commission meetings can be viewed online at http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=92. The Port Commission meetings are also broadcasted on the 2nd & 4th Thursday of the month at 9 p.m. on Comcast Cable Channel 26 or Astound Cable Channel 78 (formerly RCN Cable).

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Michael Nerney @ 274-0416 or michael.nerney@sfport.com

The Maritime Commerce Advisory Committee (MCAC) meets on a quarterly basis, on the third Thursday of the month, from 11:30 a.m. to 1:00 p.m. @ Pier 1. Contact Jim Maloney @ 274-0519 or jim.maloney@sfport.com

The Mission Bay Citizens Advisory Committee meets regularly on the second Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Catherine Reilly, Assistant Project Manager, Redevelopment Agency, @ 749-2516 or Catherine Reilly/REDEV/SFGOV@SFGOV

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a bi-monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Jonathan Stern @ 274-0545 or jonathan.stern@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Rincon Point-South Beach Citizens Advisory Committee meets on a quarterly basis, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Catherine Reilly, Assistant Project Manager, Redevelopment Agency, @ 749-2516 or Catherine.Reilly/REDEV/SFGOV@SFGOV

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david.beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month

at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the fourth Monday of the month at 6:30 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
B) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

PIER 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Wendy Proctor, Port's ADA Coordinator, at 274-0592, the Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Frank Darby by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at sotf@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Darby or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.

NOTICES

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

December 3, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer M Moyer
Executive Director

SUBJECT: Request Authorization to Advertise for Competitive Bids for Contract No. 2736, Marine Structural Project II, for Repairs of the Hyde Street Harbor Fuel Dock Substructure and the Ferry Building North Public Plaza

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Overview

Port staff request Port Commission authorization to advertise for competitive bids for Contract No. 2736, Marine Structural Project II. The scope of work under this contract will implement repairs to the Hyde Street Harbor Fuel Dock Substructure and the Ferry Building North Public Plaza. To minimize administrative time and to get a more competitive construction bid, the two projects are being bid together.

Background

The Hyde Street Harbor Fuel Dock is used as a marine fueling facility. The Fuel Dock is currently managed by General Petroleum. The facility services the local fishing fleet and a variety of smaller vessels including tugs, bar pilot boats, and U.S. Coast Guard Cutters.

The Fuel Dock substructure consists of timber decking supported over timber stringers, which in turn are supported by timber cap beams and timber piles. The substructure deck supports a small office and equipment building, fueling equipment, and a handicap accessible wooden ramp which provides access to the adjacent Wharf J11. The original date of construction is unknown. A structural evaluation performed by Port Staff in July, 2008 concluded that the substructure deck has inadequate structural strength to support seismic loads and vessel impact loads. The facility currently has load restrictions and requires all approaching vessels to reduce speed before berthing. The

This Print Covers Calendar Item No. 8A

existing fender piles have failed due to excessive berthing loads and some of the bearing piles have deteriorated and need to be replaced. The construction contract for this project will require substructure repairs necessary to restore function and capacity to support gravity loads. Also the contract will require strengthening of the substructure to provide current code level seismic and berthing performance. A number of existing utility lines are located under the substructure. Utility crossings between the Fuel Dock and the adjacent wharf will be upgraded to accommodate relative movements between the two structures associated with lateral seismic and berthing loads.

The Ferry Building North Public Plaza is currently red tagged and barricaded. The Port's structural assessment performed in July, 2008 indicates that the wharf substructure has deteriorated substantially. The project work scope includes repairs to the slab substructure and concrete piles, and the installation of a new deck topping slab.

Project Description

Hyde Street Fuel Dock Repair
The Port's as-needed consultant, Creegan+D'Angelo Engineers, prepared the construction documents for the repair of the Hyde Street Harbor Fuel Dock substructure. This work scope includes installing new steel frames around and under the existing pier substructure. Also, new composite fenders will be installed around the perimeter of the pier. A flexible connection will be installed for all utilities under the substructure that cross to the adjacent wharf.

Disruption to fueling operations will be mitigated. The ability to provide fueling to a minimum of 1 vessel will be maintained during construction.

Ferry Building North Public Plaza Repair
Port staff prepared the construction documents for the repair of the Ferry Building North Public Plaza. The contract will include repairing the structural deck slab, replacing the topping slab, and repairing deteriorated piles

Port staff has secured all of the required environmental/regulatory permits for the execution of the work.

The project will be advertised through the following channels:

- Human Rights Commission list of contractors
- Human Resources Outreach list of contractors
- Port Internet site
- City and County of San Francisco purchasing internet site
- Plan Rooms (Builders Exchange, Contractors Information Network, etc.) 18 total
- Newspapers (SF Examiner and Small Business Exchange)

Port staff will adhere to San Francisco Human Rights Commission (HRC) bidding procedures and requirements. The Human Rights Commission has reviewed the

project scope and recommends a **16%** subcontracting goal for Local Business Enterprises (LBE).

Funding
The required construction funding is provided by the Port's Pier Repair Fund (CPO 741 and CPO 778) as per table below:

Title	Amount
Engineer's Estimate	$1,900,000
Add 10% Project Contingency	$190,000
Total required funding	$2,090,000

The estimated costs and contingency for the Project are fully funded by the Port's Pier Repair Fund.

Schedule
The anticipated construction start date is May 2010 and the anticipated completion date is December 2010.

The project schedule is noted below:

Commission Approval to Advertise	December 8, 2009
Advertise for Bid	December 14, 2009
Bids Due	February 1, 2010
Award of Contract	March 2010
Notice to Proceed	May 2010
Final Completion	December 2010

Pile driving will be restricted to June 1, 2010, through November 30, 2010, in order to comply with Federal Endangered Species Act requirements to minimize impacts to endangered salmon during spawning season. Additionally, no construction will occur at the Ferry Building North Public Plaza on Farmers' Market days (i.e. Tuesday, Thursday, and Saturday).

Summary
Port staff is prepared to seek competitive bids for the subject project. Port staff request Port Commission authorization to advertise for competitive bids for Contract No. 2736, Marine Structural Projects II, for repairs of Hyde Street Harbor Fuel Dock Substructure and the Ferry Building North Public Plaza.

Prepared by: Winnie Lee
Project Engineer

For: Edward F. Byrne
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-73

WHEREAS, Port staff are prepared to advertise and seek competitive bids for Contract No. 2736, Marine Structural Project II, for repairs of Hyde Street Harbor Fuel Dock Substructure and the Ferry Building North Public Plaza; and

WHEREAS, the construction project will provide appropriate and necessary substructure repairs for the Fuel Dock and the Ferry Building North Public Plaza; and

WHEREAS, Port staff and as-needed consultants Creegan+D'Angelo Engineers, Inc., have completed design drawings and specifications for these repairs; and

WHEREAS, the current engineering construction cost estimate for the project is $1,900,000; with a 10% contingency of $190,000, for a total estimated cost of $2,090,000; and

WHEREAS, the estimated project cost, including 10% contingency, is fully funded by the Port's Pier Repair Fund; and

WHEREAS, Port staff have secured all the required environmental and regulatory approvals for this project, and the project is now ready for competitive bidding; and

WHEREAS, in the solicitation of bids for this project, Port staff will incorporate the 16% subcontracting goal for Local Business Enterprises (LBEs) as recommended by the Human Rights Commission (HRC); now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise for and accept competitive bids for Contract No. 2736, Marine Structural Project II, for repairs of Hyde Street Harbor Fuel Dock Substructure and the Ferry Building North Public Plaza.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of December 8, 2009.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

December 2, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval of Port projects to be funded in the second sale of 2008 Clean and Safe Neighborhood Parks General Obligation Bond

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Background

On February 5, 2008, San Francisco's voters approved a $185 million General Obligation bond measure entitled the 2008 Clean and Safe Neighborhood Parks General Obligation (GO) Bond (the "2008 GO Bonds") of which $33.5 million is earmarked for several waterfront parks on Port property.

The Ordinance adopted by the City in October 2007 that placed the 2008 GO Bond on the ballot identified the following sites on Port property to receive GO bond funds, and the City's bond report identified the project and bond issuance funding levels for waterfront parks projects:

➢ Pier 43½ Promenade	$7,800,000
➢ Brannan Street Wharf Park	2,900,000
➢ **Blue-Greenway Projects**	22,100,000
Bayfront Park at Mission Bay	
Pier 70 Crane Cove Park	
Warm Water Cove Park	
Islais Creek Shoreline Parks	
Heron's Head Park Entrance	
Design Standards and Enhancements to all Blue-Greenway Projects	

THIS PRINT COVERS CALENDAR ITEM NO. 8B

Total Project Allocations	$32,800,000
Bond Issuance Costs	$700,000
Total Allocation to Waterfront Parks Projects	$33,500,000

Language in the Bond Ordinance requires that the Port Commission approve projects to be included in each bond sale. On July 8, 2008 the Port Commission approved the Port's projects for inclusion in the City and County of San Francisco's first issuance of the 2008 GO Bonds, which took place in August 2008. Those bond proceeds funded certain pre-construction costs for the Port's waterfront parks projects, including all required environmental review.

The purpose of this item is to request Port Commission approval for projects (shown on Attachment A) to be included in the second sale of these bonds, which the City expects to take place in March 2010.

Projects for Second Bond Sale

Port staff propose that the projects below be funded by the second bond sale in March 2010 (this list was included in the October 10, 2009 General Obligation Bond Accountability Report for the second sale, reported to the City's General Obligation Bond Oversight Committee in October 2009):

Project Name	ESTIMATED COST
Pier 43 ½ Promenade – construction	$6,334,125
Blue-Greenway – construction of Bayfront Edge	2,518,937
Blue-Greenway Design Standards	1,763,250
Other Costs	
Bond Issuance Costs	49,184
Controller's Audit Services	21,395
Total	$10,686,891

The Port's second bond appropriation request would fund those activities that can begin in the very near term and are properly permitted at the time of the bond sale. The Brannan Street Wharf project was included in early discussions on projects for the second bond sale, but has been delayed until the final bond sale, when environmental review will be complete.

Proceeds from the second bond sale will fund completion of construction of both Pier 43½ and Bayfront Edge, as well as complete purchase and installation of all signage and wayfinding for the Blue-Greenway, completing the Blue-Greenway Design Standards project.

Though the date is subject to change, at this time the City anticipates that the third and final bond sale will take place in January 2011.

Action Requested
Port staff ask that the Port Commission approve inclusion of Pier 43½, Bayfront Edge, and Blue-Greenway Design standards in the list of projects to be funded by the second sale of the 2008 Clean and Safe Neighborhood Parks General Obligation Bond.

Prepared by: Daley Dunham, Finance & Administration

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-76

WHEREAS, On February 5, 2008 San Francisco's voters approved a $185 million Clean and Safe Neighborhood Parks General Obligation bond measure (the "2008 GO Bonds"); and

WHEREAS, The 2008 GO Bonds include $33.5 million for waterfront park projects on Port property; and

WHEREAS, The Ordinance authorizing the sale of these bonds requires the Port Commission to seek approval from the Port Commission on which parks are to be included in each bond sale; and

WHEREAS, The second 2008 GO Bond issuance will include $10,686,891 for Port waterfront parks projects including: (1) construction of the Pier 43½ Promenade; (2) construction of the Bayfront Edge; and (3) developing Design Standards for, and acquisition and installation of some of the signs, furnishings, and lighting in, the Blue-Greenway; therefore be it

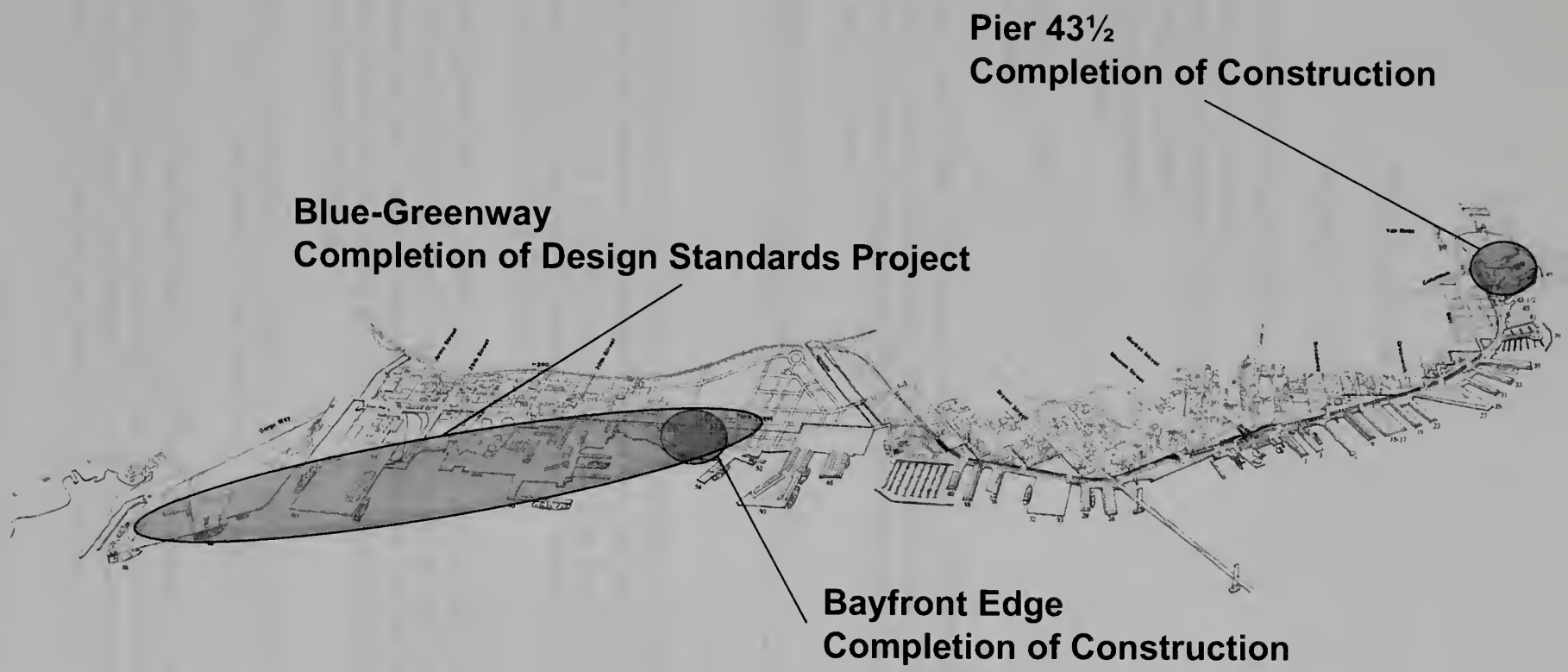
RESOLVED, That the Port Commission hereby approves of inclusion of Pier 43½, Bayfront Edge and the Blue-Greenway planning efforts in the list of projects to be funded by the second sale of the 2008 Clean and Safe Neighborhood Parks General Obligation Bond.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of December 8, 2009.

_____
Secretary

Port of San Francisco

Projects included in 2nd Sale of 2008
Clean and Safe Neighborhood
Parks General Obligation Bond



PORT OF SAN FRANCISCO

MEMORANDUM

December 2, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval of First Amendment to Lease No. L-14282 with the San Francisco Bar Pilots Benevolent and Protective Association for a one year rent deferral of the new rental amount and a two year lease extension for space located at Pier 9

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

BACKGROUND

The San Francisco Bar Pilots Benevolent and Protective Association (the "Bar Pilots") has been headquartered at Pier 9 since 1989 when the Port and the Bar Pilots executed a 20-year lease, which is set to expire on December 31, 2009. The Bar Pilots currently pay the Port approximately $30,140 per month in rent for approximately 45,174 square feet. The Bar Pilots are currently a Tenant in Good Standing.

On April 2, 2008, the Port Commission approved a new Lease No. L-14282 for the Bar Pilots headquarters in connection with settling a lease dispute over certain facility repairs. The lease requires the Bar Pilots to make significant repairs to the Pier 9 apron, as well as maintain the substructure and provide substructure condition surveys to the Port throughout the term of the lease.

The new lease is scheduled to commence on January, 1 2010 with a term of 15 years, expiring on December 31, 2024. The lease's initial monthly rent is $97,109.

Beginning in 2009 the Bar Pilots has experienced a significant decrease in revenues as a result of decreased ship traffic in San Francisco Bay due to the world-wide economic downturn. As a result, the Bar Pilots has requested and Port staff agrees that the first year monthly rent amount of $97,109 should be deferred until January 1, 2011.

This Print Covers Calendar Item No. 9A

Consequently, Port staff recommends that the Bar Pilots pay a rental amount for the first year of the Lease of $31,012.27 per month, which is the current rent of $30,109 plus an increase equal to 3%. Rent for the second year shall be increased to $100,024.82 per month and all other increases throughout the term of the Lease shall be as described in the Monthly Base Rent Schedule below.

By deferring the Bar Pilots new rent schedule by one year, the Bar Pilots will gain the financial relief that they requested as a result of an unprecedented downturn in their business. For this consideration, the Port will gain an additional two years of lease term at the then fair-market rent value which will result in an expected gain of approximately $1.86 million in additional revenue. All other lease terms and conditions shall remain unchanged.

PROPOSED AMENDMENT TO LEASE

Port staff and the Bar Pilots have negotiated the First Amendment to Lease No. L-14282, which include the following terms.

Monthly Base Rent: The schedule for Monthly Base Rent shall be amended pursuant to the schedule below.

Monthly Base Rent (See §5.2):	Months	Sq. Ft.	Monthly Base Rate/Sq. Ft.	Total Monthly Base Rent
Parcel A Parcel B Parcel C	1-12	54,148	× $0.58	=$31,012.27*
Parcel A Parcel B Parcel C	13-24	19,718 20,088 14,342	× $3.91 × $0.97 × $0.24	=$ 77,097.38 =$ 19,485.36 =$ 3,442.08 =$100,024.82
Parcel A Parcel B Parcel C	25-36	19,718 20,088 14,342	× $4.03 × $1.00 × $0.25	=$ 79,463.54 =$ 20,088.00 =$ 3,585.50 =$103,137.04
Parcel A Parcel B Parcel C	37-48	19,718 20,088 14,342	× $4.15 × $1.03 × $0.26	=$ 81,829.70 =$ 20,690.64 =$ 3,728.92 =$106,249.26
Parcel A Parcel B Parcel C	49-60	19,718 20,088 14,342	× $4.27 × $1.06 × $0.27	=$ 84,195.86 =$ 21,293.28 =$ 3,872.34 =$109,361.48
Parcel A Parcel B Parcel C	61-204	See lease Section 5.2 described below.		

Months 61-204: The monthly rent amount during this period is prescribed in Section 5.2 of the lease which provides for a Fair Market Adjustment in year six followed by annual 3% adjusts in years 7, 8, and 9. In year 10, there is another Fair Market Adjustment followed by annual 3% adjusts for the remaining term of the lease.

* The first year rent of $31,012.27 is equal to current rent of $30,109 plus an increase of 3%. The amount per square foot is rounded up to the nearest cent.

Expiration Date: Upon approval of the Port Commission, the Expiration Date of the Lease shall be amended from December 31, 2024 to December 31, 2026.

RECOMMENDATION

Staff recommends the Port Commission approve the attached Resolution and authorize the Executive Director to execute the first amendment of Lease No. L-14282.

Prepared by: Jeffrey A. Bauer
Senior Commercial Leasing Manager

For: Peter Dailey
Deputy Director, Maritime

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-74

WHEREAS, Section B3.581 of the Charter of the City and County of San Francisco empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, the San Francisco Bar Pilots Benevolent and Protective Association (the "San Francisco Bar Pilots") has been operating in San Francisco since 1835; and

WHEREAS, the San Francisco Bar Pilots has been a Port of San Francisco maritime tenant since 1989 and has maintained its headquarters and operations center at Pier 9. The San Francisco Bar Pilots is currently a Tenant in Good Standing; and

WHEREAS, the San Francisco Bar Pilots and the Port negotiated a new 15 year lease that commences on January 1, 2010, for the current premises (Lease No. L-14282) in connection with settling a lease dispute, and providing for the Bar Pilots to make substantial repairs and maintain the substructure throughout the term of the new lease ending December 31, 2024, and adjusting rents to market rates, which the Port Commission approved on April 2, 2008; and

WHEREAS, the San Francisco Bar Pilots has requested and Port staff agrees that the market rental rates under the Lease, which would have been $97,109 per month during the first year, should be deferred by one year until January 1, 2011; and

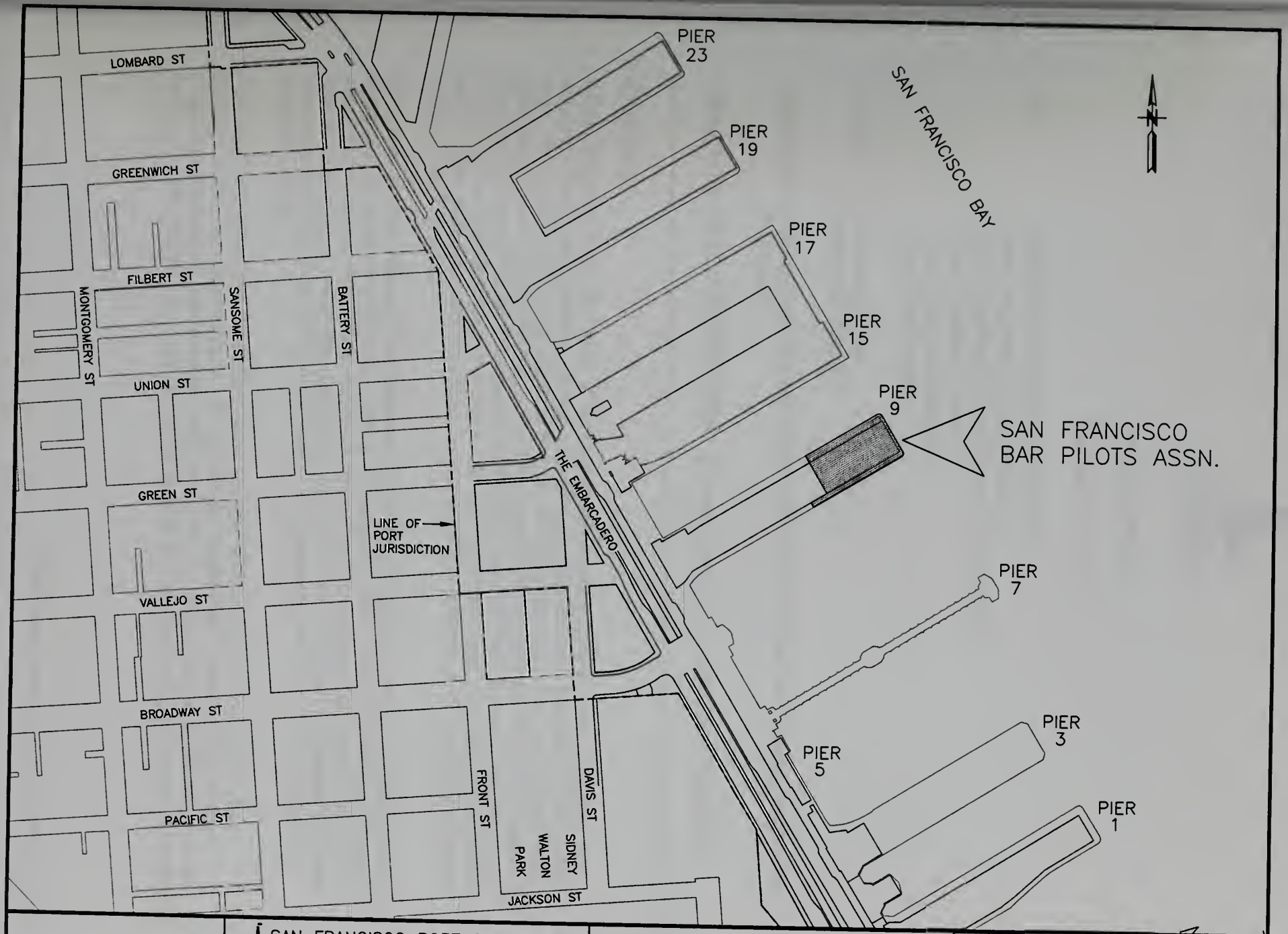
WHEREAS, Port staff recommends that the San Francisco Bar Pilots pay a rental amount for the first year of the Lease of $31,012.27 per month, which is the current rent of $30,109 plus an increase equal to 3%; rent for the second year shall be increased to $100,024.82 per month with scheduled rent increases throughout the term of the Lease; and

WHEREAS, Port staff further recommends the term be extended by two years, at the then-fair market rental rate resulting in an expected gain of revenue to the Port of $1.86 million; now be it

RESOLVED, that the San Francisco Port Commission authorizes Port staff to enter into a First Amendment to Lease No. L-14282 with the San Francisco Bar Pilots to change the first year rental amount and extend the term by two years, in accordance with the terms outlined in the staff report for this Item 9A, a copy of which is on file with the Port Commission Secretary.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of December 8, 2009.

_____
Secretary



SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

SAN FRANCISCO BAR PILOTS ASSN.

DRAWN BY: ECC	DATE: NOV 18, 2009
CHECKED BY: J. BAUER	SCALE: 1" = 400'
PLACE CODE NO.	SHEET NO.
	OF SHEETS

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PORT OF SAN FRANCISCO

MEMORANDUM

December 3, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Informational Presentation on Proposed Water Taxi Service at the Port of San Francisco

DIRECTOR'S RECOMMENDATION: Informational Only – No Action Required

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Summary

Water taxis are a popular form of transportation at many of the world's major cities and San Francisco's waterfront may offer advantages for such a service. Earlier this year, Port staff organized a meeting of interested parties regarding the concept of a water taxi service being offered along San Francisco's waterfront. Representatives from the San Francisco Water Emergency Authority, National Park Service, Golden Gate Ferry, Red and White Fleet, the City's Office of Economic and Workforce Development and a representative from Fort Mason discussed the concept and feasibility of water taxis in San Francisco.

As a result of this meeting and discussion, the Port suggested that a feasibility study be completed to analyze market demand and seasonal flows; identify possible locations for water taxi services; determine minimum vessel and operator requirements as well as look at examples of water taxi operations at other cities. The Port subsequently hired Veronica Sanchez Consulting and Walther Engineering Services to complete the feasibility study.

Port staff has asked the consultant team to offer an executive summary of their findings to the Port Commission. A copy of the PowerPoint presentation of the executive summary is attached for preliminary review. Port staff has presented these findings to the Water Taxi working group as well as the Maritime Commerce Advisory Committee.

This Print Covers Calendar Item No. 9B

Next Steps

Port staff will begin solidifying berthing agreements for various locations in South Beach, Pier 1½, Central Waterfront and Pier 39/Fisherman's Wharf. We will perform a financial analysis, evaluate existing environmental review requirements, and begin drafting a landing rights agreement for Water Taxi operations, making the necessary changes to the Port's Tariff #3. We contemplate issuing a Request of Qualifications to gauge commercial interest and viability of an operation in February 2010.

Prepared by: Peter Dailey, Deputy Director, Maritime

Port of San Francisco Water Taxi Feasibility Study

Presentation to
San Francisco Port Commission Water Taxi
December 8, 2009

Veronica Sanchez Consulting
Walther Engineering Services

Scope of Study

- Is there ridership demand for water taxi service?
- What can we learn from other other city's water taxi systems?
- What are capital and operating requirements for PSF to start this service?

Is there Ridership Demand?

- #1 Market Niche: F-Line Diversions
- F-Line has overcapacity problems. Wait times are longer than travel time at peak.
  - Conservative Assumption: 522-576 daily riders
  - Aggressive assumption 1306-1440 daily riders
  - Compare: Harbor Bay: 620 daily riders.

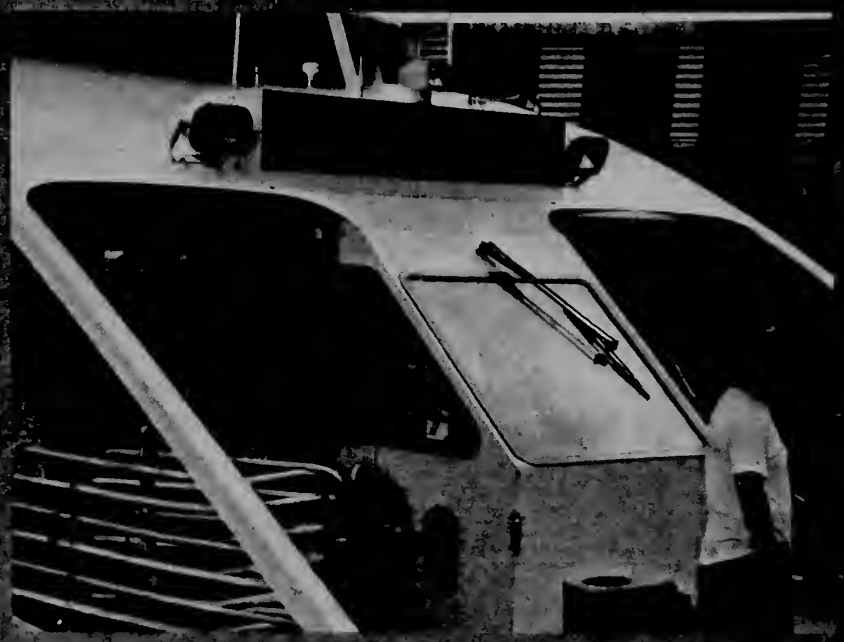
Is there Ridership Demand?

- #2 Market Niche: Repeat visitors (17.5%) may be looking for a different shoreline experience
- #3 Visitor Attractions & Destinations
  - Example: Exploratorium Opening in 2014.
  - Special events

Is there Ridership Demand?

- F-Line is formidable competition to water taxis. Direct, convenient & cheap.
- Water taxis need to have competitive fares & high frequency.
- Water taxi ridership will fluctuate with seasons and daily peak periods.
- Other visitor market niches exist but ridership is speculative because walking, biking, taxis, Segways, excursion ferries are other alternatives.
- Existing ri[illegible] [illegible] not justify a substantial capital [illegible]

Other Water Taxi Systems
New York City



- New York Water Taxi is <u>not an "on-call service"</u>
- Company operates 4 commuter ferries with public subsidies
- Strong Partnerships with shoreline real estate businesses & attractions
  - Free IKEA service from Manhattan.

Other Water Taxi Systems
New York City

- NY Water Taxi also in excursion boat business. Bought Circle Line in 08!
- Hop On/Hop Off seasonal service ($20 day pass) has nine stops at 5 min. intervals near tourism sites:
  - Times Square
  - World Financial Center
  - Wall Street
  - United Nations/Empire State Building

Other Water Taxi Systems
Chicago

- Two companies:
  - [illegible] - Primarily a commuter service.
  - [illegible] – Chicago River and Lake Michigan routes include Sears Tower, Navy Pier, and Field Museum.
- Facilities built by operators or building owners.
- Lessons: Cost of operating water taxi service is offset by revenue from commuter, excursion operations.

Other Water Taxi Systems
Long Beach

- 2 services: AquaBus & AquaLink (3 boats)
- Started in 1998 to support economic development of Long Beach Aquarium.
- Initial capital investment low.
- Long Beach Transit Contracts with Catalina Express
- Not a se[illegible]
  - Operat[illegible]
  - Trans[illegible]
  - receive[illegible]

Other Water Taxi Systems
San Diego

- On-Call Water Taxi Service: $7/one way trip.
- San Diego Harbor Cruises is waterfront marina and commercial property owner.
- 3 vessels - 42 & 23 paxs
- Monthly flat fee arrangements with hotels to transport passengers (i.e. Hyatt-Seaworld).
- Operate group charters

Other Cities: Range of Fares

NY Water Taxi Hop On/Hop Off	
Adults	$20 (Day Pass)
Chicago Shoreline Water Taxi	
Michigan Avenue-Navy Pier	$3
Navy Pier-Museum	$7
Sears Tower-Navy Pier	$6
Museum-Michigan Avenue	$10
Sears Tower-Museum	$13
Long Beach	$1-$5
Excursion Cruises	
Circle Line/New York	$27
Shoreline Sightseeing/Chicago	$14-15
Blue and Gold/S.F. Bay Cruise	$24
Red and White/Golden Gate Bay Cruise	$22

Existing Vessel Examples

NY Water Taxi: 74 paxs, 24 knots

Long Beach Aquabus: 49 paxs, 15 knots, $295,000

Existing Vessel Examples

Chicago Shoreline Water Taxi: 40 paxs, 14 knots, $275,000

Maui Ocean Explorer: 49 paxs, 26 knots, $875,000

Other Vessel Examples
Existing Vessels in San Francisco Bay

Sports Fishing Boats: USCG for 49 paxs. ADA retrofit, interior improvements and cover needed. PSF docks would also need ramps to handle 30-40" of freeboard.

Westar Marine Crewboat: 49 paxs, 16-20 knots $375,000. Industrial boats. ADA retrofit needed

Other Water Taxi Systems
Sydney

Port of San Francisco Water Taxi Feasibility Study
September 2009

Veronica Sanchez Consulting
Walther Engineering Services

Recommendations for the Port
Minimal Capital Investment

- 3 vessels minimum (6 vessels if goal is 15 minute intervals)
- 25-49 passengers
- 12-16 knots
- Range of cost of existing vessels: $215,000 to $2.4m
- Estimated cost for construction of new boats (@ $300,000/boat)
  - $900,000 for 3 new boats
  - $1.8m for 6 new boats
  - 8 month construction period

Operator's Basic Requirements

- History of quality service, sound financials and prior management experience.
- Crew capability and strong certified training program.
- Strong marketing experience.
- Maintenance and fueling capacity.
- Year round vs. seasonal service.

Recommendations for the Port Minimal Capital Investment

- Reviewed 13 sites at Port of SF and Fort Mason (GGNRA)
- Criteria Used:
  - Are minimal capital improvements required (existing floats, ramps, ADA access, adequate water depth)?
  - Are there conflicts with adjacent recreational or commercial uses on water side?
  - Is the facility close to popular visitor destinations?
  - Is the facility accessible from the street level to customers?

6 sites at Port of San Francisco are suitable to start service in 2010-2012

Recommendations: Suitable Facilities

Pier 40 - leased to
SF Redevelopment Agency

Pier 1 1/2 Guest Dock built by SF Waterfront Partners.

Construction cost: $850K with $425K federal grant.

Recommendations: Suitable Facilities
Pier 39 Area

- Pier 39 South

- Pier 41 - site of existing ferry docks

Recommendations: Suitable Facilities Central Wharf

- Pier 43 ½

- Hyde Street Harbor

Recommendations: Future Facilities

- Fort Mason
  - The National Park Service is conducting long-term planning for ferry service to GGNRA properties.

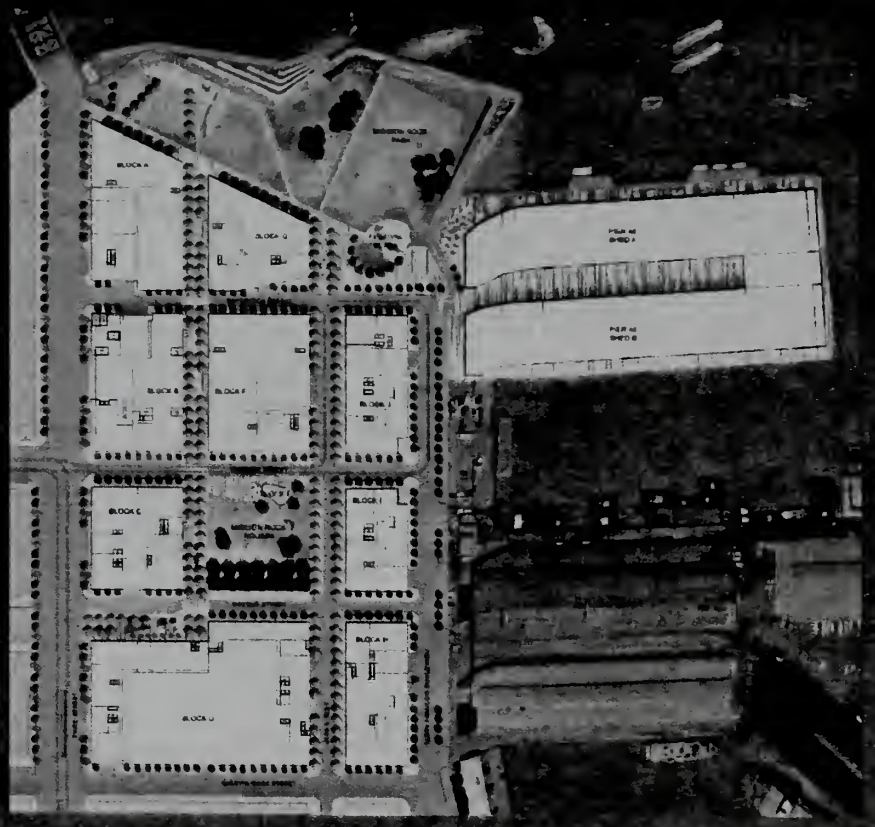
Recommendations: Future Facilities

Pier 15/Exploratorium

- Construction of dock within 5 year anniversary of lease execution.
- Possible 2015 if lease executed in 2010.
- Projected number of visitors: 850,000/ year
- Travel distance from Pier 1 1/2 Guest Dock @ 15 knots is 7 minutes.
- Great marketing opportunities for special events and linkages to other part of waterfront.

Recommendations: Future Facilities Cont'd

- Future Sites
  - Seawall Lot 337-Pier 48 Mixed Use Development



Financial Sustainability

- Develop a phased approach
  - Phase I - facilities ready in short term (2010-2012) and work with developers and other partners for long term.
- Attract operator with diverse business portfolio of excursion and commuter products.
- Start up service may need cross-subsidies between operator's different brands.
- Demonstrated financial and operating experience.
- Marketing and promotion experience is critical (tourism products and special events).

PORT OF SAN FRANCISCO

MEMORANDUM

December 3, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Informational Presentation regarding the National Park Service's (NPS) interest in developing an NPS Visitor Center including an Alcatraz Embarkation facility on the San Francisco Waterfront

DIRECTOR'S RECOMMENDATION: Informational only – No Action Required

SUMMARY

In recognition of the mission of the National Park Service (NPS) in both protecting and interpreting the natural, historic and scenic value of Alcatraz Island while providing for an improved, quality visitor experience, and in recognition of the value visitors to Alcatraz bring to the area immediately around their base of operations, NPS has approached the Port of San Francisco and requested information on five facilities for consideration as a permanent land-side home for an NPS visitor center for its many regional destinations while serving as their Alcatraz embarkation site. NPS is seeking a stable, long-term property agreement (to be implemented after expiration of its current concession agreement) to eliminate the disruption to park visitors that currently occurs from the periodic relocation of the embarkation site.

BACKGROUND

From the very first tourist vessel in 1973, the Port of San Francisco has served as the embarkation point for millions of tourists and locals intent on visiting the former U.S Army brig and federal prison constituting NPS' Alcatraz Island, part of the Golden Gate National Recreation Area. This long standing use of Port facilities represents an important and valuable component of the Port's varied maritime portfolio and both retaining the Alcatraz excursion business and enhancing it with other NPS products is

This Print Covers Calendar Item No. 10A

vital to the Port's maritime mission. It is an important attraction for the City's visitor industry and its proximity to the Port's cruise terminal adds to the attractiveness of San Francisco as a cruise port.

NPS stewardship of Alcatraz includes management of the contractor operating the island's ferry service. The current contracted operator, Alcatraz Cruises, LLC (affiliated with Hornblower Yachts, Inc.) ferries an annual 1,300,000 people to and from Alcatraz with a base of operations at Pier 31½. Prior to the Alcatraz Cruises, LLC contract, Blue & Gold Fleet operated the route from a base at Pier 41.

The NPS contract for ferry service to Alcatraz assigns responsibility for managing and programming the embarkation site to the ferry operator. For that reason the embarkation site has varied with each operator as well as the amenities provided. As mentioned above, NPS places a very high value on the visitor experience at their parks and monuments across the country. NPS has determined that the best way to maximize the interpretive quality of visiting Alcatraz and other NPS points of interest is for it to manage the visitor's experience to the greatest extent possible by developing its own visitor center. NPS' ability to directly control the embarkation site would allow detailed programming from the moment visitors approach the facility, during their roundtrip ferry excursion and again upon disembarkation, providing several opportunities to enhance and supplement the visitor's experience.

NPS KEY SITE NEEDS

- Dedicated utilization of landing facilities including prominent and appropriate NPS branding elements to create a unique area for park visitors preparing for their visit to Alcatraz Island.
- 28,000 – 35,000 square foot facility with a mix of indoor and outdoor spaces.
    - 5,000 – 7,000 square feet of predominantly indoor area for interpretive and exhibit areas.
    - A comfortable, covered area for between 400 and 600 ticketed passengers with expansion potential to 900 passengers.
    - Space for an educational bookstore and Alcatraz-related merchandise outlet.
    - 3,000 – 5,000 square feet of food and beverage space to serve visitors and to prepare food items for vessels.
- Adequate adjacent or nearby area for visitors to arrive via diverse modes of transportation.
- Exclusive assignment of waterways and berthing sites for up to four, 500 passenger vessels.
- A northern waterfront location with good headways to Alcatraz and accessible to visitors.

IDENTIFIED PORT FACILITIES

Based on the above criteria and working with NPS staff and their site selection consultant, Port staff have identified five possible locations that could serve as the long-

term home of the NPS Alcatraz embarkation site. The five locations are shown on Exhibit 1 and described below:

Pier 19½ - Approximately 41,000 square feet of non-historic shed and apron space located between the Pier 19 and 23 historic bulkhead buildings. It is currently vacant.

Pier 29½ - Approximately 71,000 square feet of historic shed and apron space located between the Pier 29 and 31 historic bulkhead buildings. It is currently vacant.

Pier 31 and 31½ - Approximately 77,000 square feet of historic shed and apron space. Pier 31 is currently vacant and 31½ is under lease to Hornblower until October 31, 2014. Hornblower operates Alcatraz ferry service from this location. Currently, site improvements are under environmental review by the San Francisco Planning Department with expected completion on the review process in 2010.

Pier 41 - Approximately 35,000 square feet of non-historic building and apron space located immediately north of Pier 39. It is under lease to Blue & Gold until March 31, 2015.

Pier 45, Shed A - Approximately 90,000 square feet of historic shed and apron space located at the foot of Taylor Street in Fisherman's Wharf. It is currently partially leased on a month to month basis. Tenants include the San Francisco Maritime National Park Association, curators for the WW II submarine, USS Pampanito.

NPS PLANNING PROCESS

NPS has engaged URS Corporation to produce a feasibility analysis of the five Port sites as well as a number of sites controlled by NPS north of Port property including sites at Fort Mason. URS will complete a detailed evaluation of the sites and help identify the sites that best meet NPS goals and objectives for a San Francisco embarkation site. After internal NPS review, NPS will conduct environmental screening analysis on the top alternative sites as required by the National Environmental Policy Act (NEPA). NPS cannot select a site until the completion of NEPA review. Additionally, site development is subject to CEQA and other regulatory review and approval.

The Port, through staff identified below, will work with NPS to study viable and feasible Port locations to house a permanent embarkation site.

- Peter Dailey, Deputy Director, Maritime
- Jonathan Stern, Assistant Deputy Director, Waterfront Development
- Katharine Arrow, Senior Property Manager, Northern Waterfront
- Phil Williamson, Project Manager

Port staff will provide regular updates to and seek input from the Port Commission and Port Advisory groups including the Maritime Commerce Advisory Committee, the Northeast Waterfront Advisory Group and the Fisherman's Wharf Waterfront Advisory Group.

NEXT STEPS

Port staff will continue to work with NPS to analyze the identified Port facilities with a goal of retaining this important trust consistent, waterfront use at the Port of San Francisco. Upon completion of the feasibility analysis Port staff will present its analysis of the sites to be considered by NPS in their NEPA review to the Port Commission. At a later date, NPS will likely request an Exclusive Negotiations Agreement (or similar agreement) from the Port Commission for a specific site or sites.

Prepared by:	Phil Williamson, Development Project Manager Jonathan Stern, Assistant Deputy Director, Waterfront Development
For:	Byron Rhett, Deputy Director, Planning & Development

Study Sites

National Park Service – Future Alcatraz Landing

December 8, 2009

United States Department of the Interior

NATIONAL PARK SERVICE
Golden Gate National Recreation Area
Fort Mason, San Francisco, California 94123

IN REPLY REFER TO
A88 (GOGA-SUPT)

AUG - 1 2008

Monique Moyer
Executive Director
Port of San Francisco, Pier 1
San Francisco, CA 94111

Dear ~~Ms.~~ Monique Moyer:

In a follow-up to our meeting on June 10th in which you and your team had suggested the use of Pier 45 as a potential landing point for the Alcatraz Island ferry, and in an attempt to insure that any follow-up meetings can be constructive, we request specific information to assist us in any further evaluation process.

As we continue to look at prospective permanent locations for the Alcatraz Ferry Service, we request that the Port of San Francisco ("Port") formally submit, in writing, potential Alcatraz landing facility piers/sites which you deem meet the "Basic Requirements" for a prospective Alcatraz landing facilities area as identified in the enclosure to this letter. Please include in your response how each alternative site proposed by the Port would specifically fulfill each of the conditions in the enclosed list of "Basic Requirements."

As we had discussed during our last meeting, we had approved our concessioner's use of Pier 33, per the selection and award of the concession contract to Alcatraz Cruises, LLC; therefore, we would also like to understand the status of their request to make the requested improvements to Pier 33.

If possible, I would appreciate a written response within 60 days so that we can adequately consider your suggestions for alternative sites in any further analyses and evaluation of embarkation opportunities. Without this information, it will be difficult for us to more clearly analyze, discuss and understand the potential for any alternative Port property becoming a potential host of the Alcatraz Landing for our next concessions contract.

Sincerely,

Brian O'Neill

Brian O'Neill
General Superintendent

P.S. Monique, I would be pleased to discuss this with you at your convenience
Brian

Enclosure

National Park Service Basic Requirements for Alcatraz Island Landing

In recognition of the mission of the National Park Service in both protecting and interpreting the natural, historic and scenic values of its parklands, while providing for an improved, quality visitor experience for the Golden Gate National Recreation Area ("Park") visitors, and in recognition of the value that Alcatraz visitors bring to surrounding properties, we require the following, at a minimum, of any proposed Alcatraz landing facilities/site:

1. Authority and ability for the Park's various concessioners to alter, modify, construct, operate and maintain the required landside facilities, in a timely manner following award of their concessions contract, for the improvement of the Park's visitor arrival and departure experience as an integral part of their park visit; and to make alterations in a manner that demonstrates sound environmental management, stewardship, and accessibility including LEED and ISO certifications;

2. Dedicated utilization of landing facilities and related access points by Park visitors solely for the interpretation of Park areas and provision of related visitor services to create a unique area for Park visitors to prepare for their visit to Alcatraz Island. Note: this includes sole use of the assignable space at the landing facilities area to serve as a "gateway" to both Alcatraz Island and the broader Golden Gate National Recreation Area;

3. Provision of a comfortable, covered waiting area, including seating for between 400 and 600 ticketed passengers either waiting to board vessels to Alcatraz island, or returning from Alcatraz;

4. Exclusive authority to develop and deploy within a dedicated area, continual and periodic interpretive exhibits relating stories about the resources and history of Alcatraz and the broader Park in both the waiting area and in other appropriate and publicly-accessible areas, both in and surrounding the Alcatraz Landing;

5. Provide for the ability for visitors to: a) arrive via diverse modes of transportation to the general location; b) clearly and immediately identify the Alcatraz Landing from any surrounding area and activities; and c) proceed quickly, safely and easily to the specific departure point, with a minimum of visitor flow confusion, congestion, and delay;

6. Exclusive authority and dedicated area to distribute printed, audio, video and other multi-lingual and accessible interactive media delivering content regarding Alcatraz Island at Alcatraz Landing and surrounding areas;

7. Exclusive authority and an adjacent, dedicated area, to provide for an educational bookstore and merchandise outlet and ancillary materials and activities, relating to Alcatraz and the Park experience at the landing facilities area;

8. Exclusive authority and adjacent, dedicated area, to provide for food, beverage, and other visitor convenience items;

9. Restrooms, solely for use of visitors to Alcatraz, available at the immediate area within the assigned landing facilities area, adequate for the anticipated numbers of visitors, both waiting for embarkation and returning from Alcatraz (i.e., potential of 400-600 visitors), and compliant with ADA requirements;

10. Provision of an auditorium for special events and presentations with capacity to serve not only waiting visitors, but also visitors either unable to make the trip or considering a trip to Alcatraz;

11. A visitor welcome center and concierge desk to accommodate information requests in the dedicated Alcatraz landing facilities area;

12. Space adequate for operation of a visitor library on Alcatraz history;

13. Availability and dedicated space within or near the Alcatraz Landing for necessary NPS administrative parking, concessioner employee parking, accessible parking spaces, bicycle racks, designated motorcycle parking, tour bus-drop-off parking, and other required on-site parking;

14. Alcatraz Landing business arrangements with de minimus financial obligations for either the NPS or its concessioner so that all profits, beyond the concessioner's reasonable opportunity for profit associated with the transportation, merchandise, food and beverage landing components can be retained by the NPS for the necessary reinvestment into Alcatraz Island and other parklands;

15. A stable and long-term property arrangement such that it provides for an Alcatraz Landing that will allow for the future full and open competition of the concession opportunity that is required by Federal Public Law 105-391 concerning NPS concessions contracts, and will provide the minimum possible disruption to Park visitors, concessioners, and community members that results from the periodic movement of Alcatraz Landing;

16. A minimum of two adjacent, berthing facilities, adequate to support vessels with capacity up to 500 persons each, in an area immediately accessible to both the visiting public on arrival and the ticketing booth, and well protected from all wake and tidal wash so as to not result in any delay or adverse conditions for embarkation, or disembarkation, of varying levels of physical abilities of park visitors;

17. Utility infrastructure suitable to meet water and sewer on-loading and off-loading requirements;

PORT OF SAN FRANCISCO

October 31, 2008

Mr. Brian O'Neill
General Superintendent'
U.S. Department of the Interior
National Park Service
Golden Gate National Parks
Fort Mason, Building 201
San Francisco, CA 94123

RE: *Prospective Locations for Alcatraz Ferry Service*

Brian

Dear ~~Superintendent~~ O'Neill,

The landing of the Alcatraz Service on Port of San Francisco property is very important to us and has been a significant part of our long standing relationship with the National Park Service. Unfortunately, the Port of San Francisco was not a party to the National Park Service's solicitation for concessionaires, and therefore, landing locations, despite its unique implications to our property. However, we greatly appreciate your leadership in seeking a permanent solution that will continue our historical partnership.

Per our several discussions, and in follow-up to your letter of August 1, 2008, the Port of San Francisco has reviewed its property along the northern waterfront for "prospective permanent locations for the Alcatraz Ferry Service." The Port of San Francisco has a strong preference for a site at Pier 45; however, we suggest the following sites as possible locations for the Alcatraz Ferry Service:

- Pier 45, Shed A
- Pier 41
- Pier 31½ - 33 (per NPS request to add this site)
- Pier 19½ - 23
- Ferry Pier on the waterside of the Ferry Building

We look forward to your review of these prospective opportunities and stand ready to assist you in any way possible. To that end, please do not hesitate to call me with any questions, ideas or concerns.

Sincerely,

Monique

Monique Moyer
Executive Director

Cc: Rodney Fong, Port Commission Vice President
Dan Hodapp, Port Planner

United States Department of the Interior

NATIONAL PARK SERVICE
Golden Gate National Recreation Area
Fort Mason, San Francisco, California 94123

RECEIVED
SEP - 9 2009
PORT OF SAN FRANCISCO

IN REPLY REFER TO:
A88 (GOGA-SPI)

SEP - 4 2009

Monique Moyer
Executive Director,
Port of San Francisco,
Pier 1, San Francisco, CA 94111

Dear Ms. Moyer:

As we continue our study of embarkation alternatives for Alcatraz, a number of items have come up which require an official response from the Port of San Francisco("Port") to remain viable options for the National Park Service (NPS) as a potential lessee of Port facilities by 2015.

First, we require written clarification on the willingness and ability of the Port to provide NPS the authority to make both temporary and permanent tenant improvements, especially those related to education, visitor use and flow management, which it deems necessary over the term of a long-term leasehold, within any assigned space under a potential lease for the properties presently identified as potential sites, including Piers 19 ½, 29 ½, 31 ½, 41 and 45. It is critical to NPS that we have flexibility in installing and changing outdoor and indoor exhibits and visitor flow improvements with any future long-term embarkation and education site without extensive reviews and uncertain approvals.

Second, further clarification is required from the Port on the assignment of waterways and inside dockings, such as sideslips, associated with three of the options identified by the Port for Alcatraz, (ie. waterways between: Piers 19 and 23, between Piers 29 and 31, and between Piers 31 and 33), for the sole use by NPS, or its assigned concessionaire, in conjunction with a leasehold arrangement with the Port for either Piers 19 ½, 29 ½, or 31 ½.

Third, so as to better understand the true costs and opportunity to use Port sites long-term(ie. 66 years), we again request the Port's commitment to have draft "terms sheets" and conditions developed for each of these aforementioned properties as an NPS Visitor Embarkation and Education center for Alcatraz. In this regard, we offer to work together with your identified, assigned staff, on a defined and aggressive schedule, to evaluate

facility options and to develop the working "term sheets" required along with other relevant lease terms and conditions.

Fourth, as part of the development of the term sheets, NPS requests confirmation as to the assumed schedule, funding plan and strategy for any Port planned upgrades to Piers 19, 19 ½, and 23, Piers 29 and 29 ½, Piers 31 and 33, and areas between Piers 41 and 45. Particularly important in that process will also be identifying those properties where the Port has sought, or will seek, public bonds for the potential of a joint public partnership development, or where the Port has made some other commitment that may impact NPS's use beginning in 2015 for the maximum leasehold that the Port allows.

To insure that we are able to include these Port properties in our assessment process, it is important to resolve these issues no later than October 15, 2009, since they will also be required for our national office review to be fully considered.

We have appreciated the past work of Dan Hodapp in helping us better understand the broader waterfront plans, and facilitating a preliminary site review of potential Port sites. His energy, effort and enthusiasm in that regard have been most helpful. At this point in the process, we really also need a similar commitment from whomever you assign to work on the other items above, such as the draft terms and conditions, as these we understand are outside his purview.

Given the loss of Superintendent Brian O'Neill recently, we have been somewhat delayed in our process; however, we are no less committed to working expeditiously with you and your staff to move forward in this process.

Thank you in advance for your cooperation, collaboration and official response on these matters to insure that NPS may continue to consider Port properties in our evaluation. Please feel free to either contact Mike Savidge, Chief of Strategic Planning here at the park, at (415) 561-4725, or myself for any further clarifications.

Sincerely,

Frank Dean

Frank Dean
Acting General Superintendent

I look forward to working with you!

PORT OF SAN FRANCISCO

September 15, 2009

Mr. Frank Dean
Acting General Superintendent
United States Department of the Interior
National Park Service
Golden Gate National Recreation Area
Fort Mason
San Francisco, CA 94123

RE: A88 (GOGA-SPI)

Dear Mr. Dean:

Once again, please accept the condolences of the Port of San Francisco in the loss of Superintendent Brian O'Neill. All of us at the Port enjoyed working with him and watching his great love affair with the Golden Gate National Recreation Area. We miss him very much but comfort ourselves with the great legacy he left for us. As always, we wish all of you at GGNRA well as you carry on in his footsteps.

Thank you very much for your correspondence of September 4, 2009. Despite our limited understanding of your vision, the contents of your letter are very intriguing and inviting for the Port and we greatly appreciate your consideration of our tremendous waterfront.

As you are no doubt aware, in order to be responsive to your request, the Port of San Francisco will need to perform some very detailed thinking and possibly make some policy assessments. The timeline you have laid out is extremely short for such a big request, but the Port will do its best. To do so, however, we need your assistance in order to commence work on our response. It would be extremely helpful to the Port of San Francisco if you could share with us a written description of your vision and desired use. We assume that your desired use is identical regardless of the location, but it would be helpful to our analysis if you could specify that as well. Given your timeline, the sooner you can share this information with the Port of San Francisco, the better.

We look forward to working with you.

Sincerely,

M Moyer

Monique Moyer
Executive Director

PORT OF SAN FRANCISCO

MEMORANDUM

December 3, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Informational Presentation regarding interim development concepts for the Ferry Plaza and Ferry Building area

DIRECTOR'S RECOMMENDATION: Informational only – No Action Required

SUMMARY

The Port's tenant at the Ferry Building, Equity Office Properties (EOP), has made a proposal to improve Ferry Plaza (located on the water side of the Ferry Building) to better meet pedestrian and vehicle functions of the area. In an effort to improve the overall quality of the public space and further enhance the functions of the Farmer's Market, Port staff has worked with EOP and San Francisco Bay Conservation and Development Commission (BCDC) staff to expand the pedestrian improvements and bicycle facilities in the greater Ferry Building area. The improvements would extend the pedestrian promenade that runs along the waterside of the Ferry Building southward, develop a section of the plaza adjacent to the south Bay edge that is currently used as a driveway for exclusive pedestrian public access, and better define vehicle loading and service areas (see Exhibit 1). The project is intended to improve the pedestrian experience and Ferry Plaza circulation, enhance farmers' market operations, provide disabled access parking, and provide areas for bicycle parking. Improvements would be paid with revenues from interim parking operations for up to 65 cars within a multiuse space in the plaza's center. Port staff, as part of its efforts to enhance the pedestrian and Farmer's Market use of Ferry Plaza worked with EOP and BCDC staff to refine the proposal. Port staff is advancing EOP's proposal for Port Commission consideration along with additional area improvements including an expansion of bicycle valet parking and rental opportunities in the vicinity. The Port is committed to the viability of Ferry Plaza as a public space as well as the economic viability of the Ferry Building area.

This Print Covers Calendar Item No. 10B

PROPOSED FERRY PLAZA IMPROVEMENTS

Beginning with the renovation of the Ferry Building and construction of the Phase I Ferry Terminal improvements (opened in 2002), the Port has made significant improvements to enhance public access and function of the Ferry Building area. The Ferry Building now has public access on all four sides and both its waterside promenade and The Embarcadero Promenade are used heavily on most days. The plaza on the waterside of the Ferry Building (Ferry Plaza) did not receive significant improvements from either of these previous projects. Nonetheless Ferry Plaza is a great public space and with additional public access improvements has the potential to be a world-class waterfront place. Its current functions, other than public access, are providing Ferry Building vehicle loading space, trash service, emergency vehicle access, Saturday Farmer's Market, BART maintenance access, vehicle access to the restaurant on the east edge of the Plaza, and ferry passenger access to Golden Gate facilities. The current configuration of the plaza allows vehicles to circulate in the most valued pedestrian places – along the edge of the Ferry Building and adjacent to the water, requires vehicles and pedestrians to compete for the same central plaza space, and provides little in pedestrian amenities. Portions of Ferry Plaza currently are in three Port leaseholds – the Ferry Building, Golden Gate Ferry and Ferry Plaza Limited Partners (former World Trade Club restaurant site) – making plaza improvements difficult, but not impossible, to coordinate.

The proposed Ferry Plaza improvements (see Exhibit 2) would provide a comfortable definition of the vehicle and pedestrian spaces for the purpose of making the pedestrian experience more enjoyable and the functions of the Ferry Building more efficient. In some areas the spaces would be shared and clearly marked so as to provide pedestrian safety, and in other areas vehicles would not be able to enter pedestrian areas. A vehicle parking / Farmer's Market area would occupy the central portion of the Plaza and would also provide emergency and maintenance access to BART and Golden Gate Ferry facilities. The proposed improvements are estimated to cost $879,000 and would be paid from revenues from interim parking (about 4 to 6 years) on the central, multiuse portion of Ferry Plaza.

OTHER FERRY BUILDING AREA IMPROVEMENTS

In addition to the proposed Ferry Plaza improvements, the following uses and improvements would enhance all modes of circulation and access and the economic viability in the greater Ferry Building area.

Bicycle Valet

The City and Port continue to see an increased use of bicycles as a primary means of transportation for many San Franciscans and a healthy, efficient and practical alternative for tourists. The Embarcadero is a main route for local bicyclists commuting to work and for visitors eager to explore the City. On Saturdays a large number of locals and visitors arrive by bicycle at the Ferry Plaza Farmer's Market to find scarce bicycle parking and a high rate of bicycle thefts. These conditions have made clear the need for an identified and secure bike parking area.

Working with the San Francisco Bicycle Coalition and EOP, Port staff identified a possible location on Harry Bridges Plaza for a Saturday bicycle valet corral. In concept the bike valet would operate similar to AT&T Park's bike parking area. Staffed by members of the Bicycle Coalition, bicyclists would leave their bikes in a monitored area secured by temporary stanchions. Port staff is working with the Bicycle Coalition, EOP, and CUESA (the operator's of Ferry Plaza Farmer's Market) to make bicycle valet parking available on a trial basis during Saturday Farmer's Markets.

Bicycle Rental

As mentioned above, bicycles are an increasingly popular way to access the waterfront and beyond. Noting that bicycle rental at Fisherman's Wharf has been commercially successful for many years, Port staff believes replicating this business model at the Ferry Building is worth pursuing. To that end, staff identified an area between the Ferry Building and the Agriculture Building suitable for locating and operating a daily bicycle rental stand. Port staff is currently working on a Request for Proposals for a bicycle rental opportunity for Port Commission consideration in early 2010.

NEED FOR FERRY BUILDING AREA PARKING

Parking is an important consideration for Port tenants in the Ferry Building area. In 2007, Adavant Consulting conducted a review of the parking serving the Ferry Building during which they reviewed previous studies and conducted additional surveys of the area's public parking facilities. Adavant found that parking lots in the vicinity (up to 15/20 minutes walk) had 87% occupancy on weekday midday with lots within a 5-minute walk of the Ferry Building with a similar or higher utilization. The area's parking meters had 88% occupancy at the weekday midday peak.

Since the Adavant study was completed, Pier ½, the nearest off-street parking dedicated to the Ferry Building has closed. Since the closure of Pier ½ in July 2008, the Port has made many small changes to parking in the vicinity including expanding valet service in front of the Ferry Building, and expanding the availability of street parking by adding additional spaces on Davis Street, moving farmer trucks off-street and installing new "smart" meters.

The Adavant study also estimated future conditions after the closure of parking at Pier ½ and adjacent to the Agriculture Building as well as expected new development in the vicinity. In these future demand scenarios, off-street weekday midday parking occupancy in the Ferry Building increased from 87% to 99%, above the effective parking capacity (about 90% of the maximum capacity). The closure of Pier ½ in 2008 brought the current parking conditions close to Adavant's future scenario. Adavant estimated that to reduce future weekday midday average parking occupancy in the Ferry Building area below the effective parking capacity would require 500 additional spaces. To reduce the future average parking occupancy to 95% of the total maximum capacity would require 250 additional spaces.

Since the closure of Pier ½ Port staff has been closely monitoring area parking and the retail success of the Ferry Building. In the year since the closure of Pier ½ ACE Parking, the parking operator of Ferry Building parking (including Seawall Lot 351 and Pier ½ and

valet parking at the Ferry Building), has reported a decline in parking customers served from 16,100 per month to 9,100 per month with less availability at the midweek daytime peak. Retail sales have declined from $3.4 million per month to $3 million per month. Though retail has declined universally due to the current economic recession, this decline is greater than the Port has noted at Fisherman's Wharf establishments. Temporary parking in Ferry Plaza would provide needed parking and allow time to develop new landside parking resources that could include better wayfinding signage to and utilization of existing parking supply as well as new parking resources or opening of private parking resources at the Golden Gateway Center for public use as proposed by the Planning Department in the Northeast Embarcadero Study. Port staff will continue to monitor parking conditions in the Ferry Building area.

LONG TERM SOLUTIONS – FERRY BUILDING AREA IMPLEMENTATION PLAN

The Port in conjunction with the Water Emergency Transportation Authority (WETA) has begun work on the expansion of the Downtown Ferry Terminal. Implementation planning is needed to address issues related to the expansion of ferry service, the rehabilitation of the Agriculture Building, improvements to Ferry Plaza to enhance this great public place, as well as the ongoing needs of visitor parking and transportation, public access, and emergency preparedness. As part of this effort Port staff is developing a long-term land use implementation strategy for the entire Ferry Building area that addresses these multiple needs including a circulation system that improves all modes of travel including buses, valet, taxis, bicycles and secure storage for bikes, pedestrians, delivery, and parking. This analysis will address the long-term parking needs of the Ferry Building Marketplace, Farmer's Market and other customers and users of the area. The implementation strategy will establish an area parking management program that addresses visitor parking needs, accommodates farmer trucks, disabled visitors as well as spaces for alternative transportation means (bikes and flex-car options) and buses. Part of this implementation strategy will be phased improvements to help Ferry Plaza meet its potential as a world class waterfront place. EOP's proposal and bicycle improvements outlined above are the first steps to address needed changes to the area's circulation patterns and public access improvements to Ferry Plaza.

NEXT STEPS

Port staff continues to explore opportunities to improve circulation in the Ferry Building area. EOP's proposal for Ferry Plaza improvements and parking as well as proposed bicycle valet and rental opportunities will proceed to various groups for stakeholder input including the Northeast Waterfront Advisory Group, the Waterfront Advisory Committee and BCDC's Design Review Board. After receiving input on the proposed improvements, the Ferry Plaza plan will return to the Port Commission for consideration including any changed or new agreements, licenses or leases. Additionally, Ferry Plaza is a public access area under the Port's Waterfront Land Use Plan and BCDC's Special Area Plan and this proposal is subject to BCDC review and permitting.

Prepared by: Phil Williamson, Development Project Manager
Jonathan Stern, Assistant Deputy Director, Waterfront Development
For: Byron Rhett, Deputy Director, Planning & Development

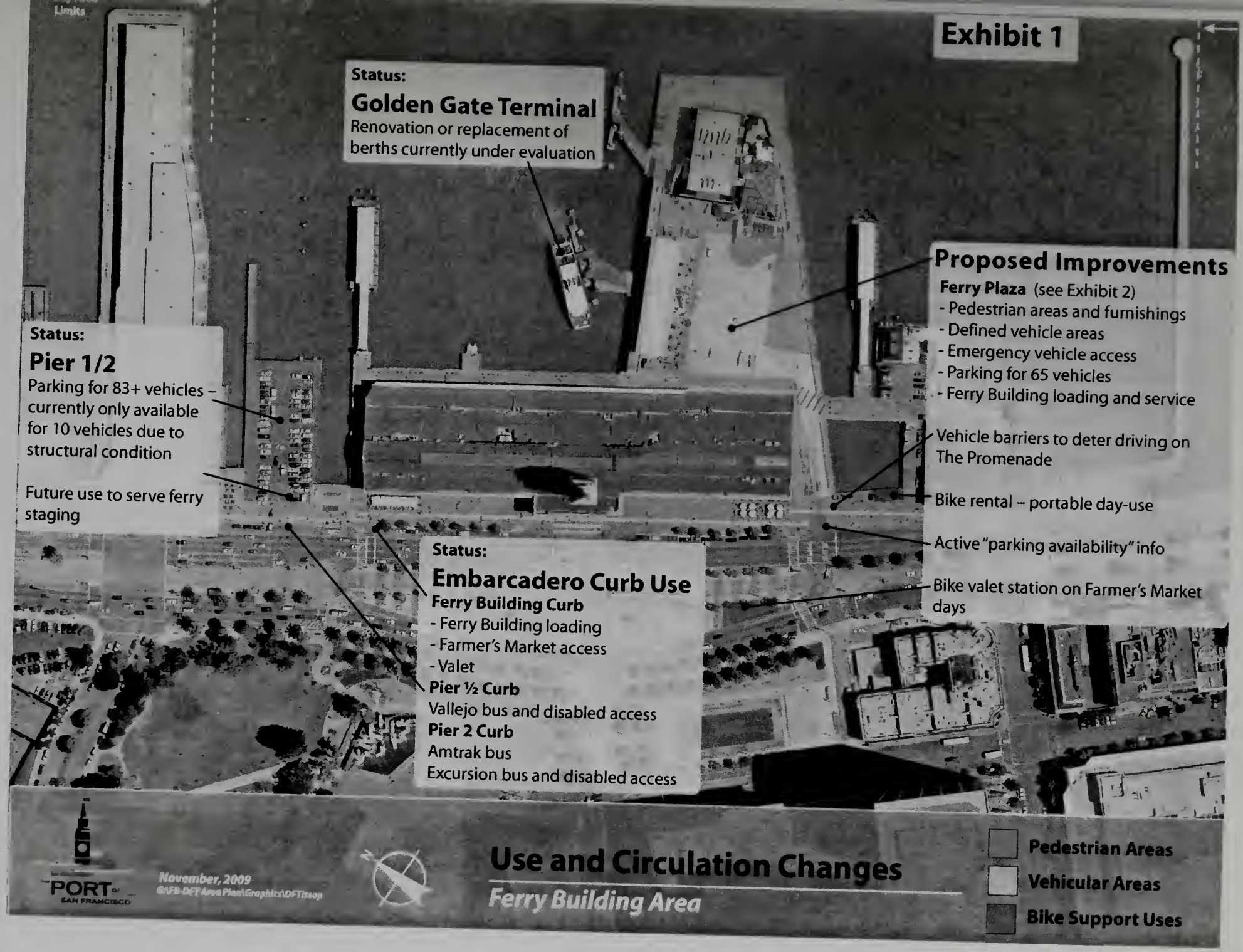


Exhibit 1
Status:
Golden Gate Terminal
Renovation or replacement of berths currently under evaluation
Status:
Pier 1/2
Parking for 83+ vehicles – currently only available for 10 vehicles due to structural condition
Future use to serve ferry staging
Status:
Embarcadero Curb Use
Ferry Building Curb
- Ferry Building loading
- Farmer's Market access
- Valet
Pier ½ Curb
Vallejo bus and disabled access
Pier 2 Curb
Amtrak bus
Excursion bus and disabled access
Proposed Improvements
Ferry Plaza (see Exhibit 2)
- Pedestrian areas and furnishings
- Defined vehicle areas
- Emergency vehicle access
- Parking for 65 vehicles
- Ferry Building loading and service
Vehicle barriers to deter driving on The Promenade
Bike rental – portable day-use
Active "parking availability" info
Bike valet station on Farmer's Market days
PORT OF SAN FRANCISCO
November, 2009
Use and Circulation Changes
Ferry Building Area
Pedestrian Areas
Vehicular Areas
Bike Support Uses

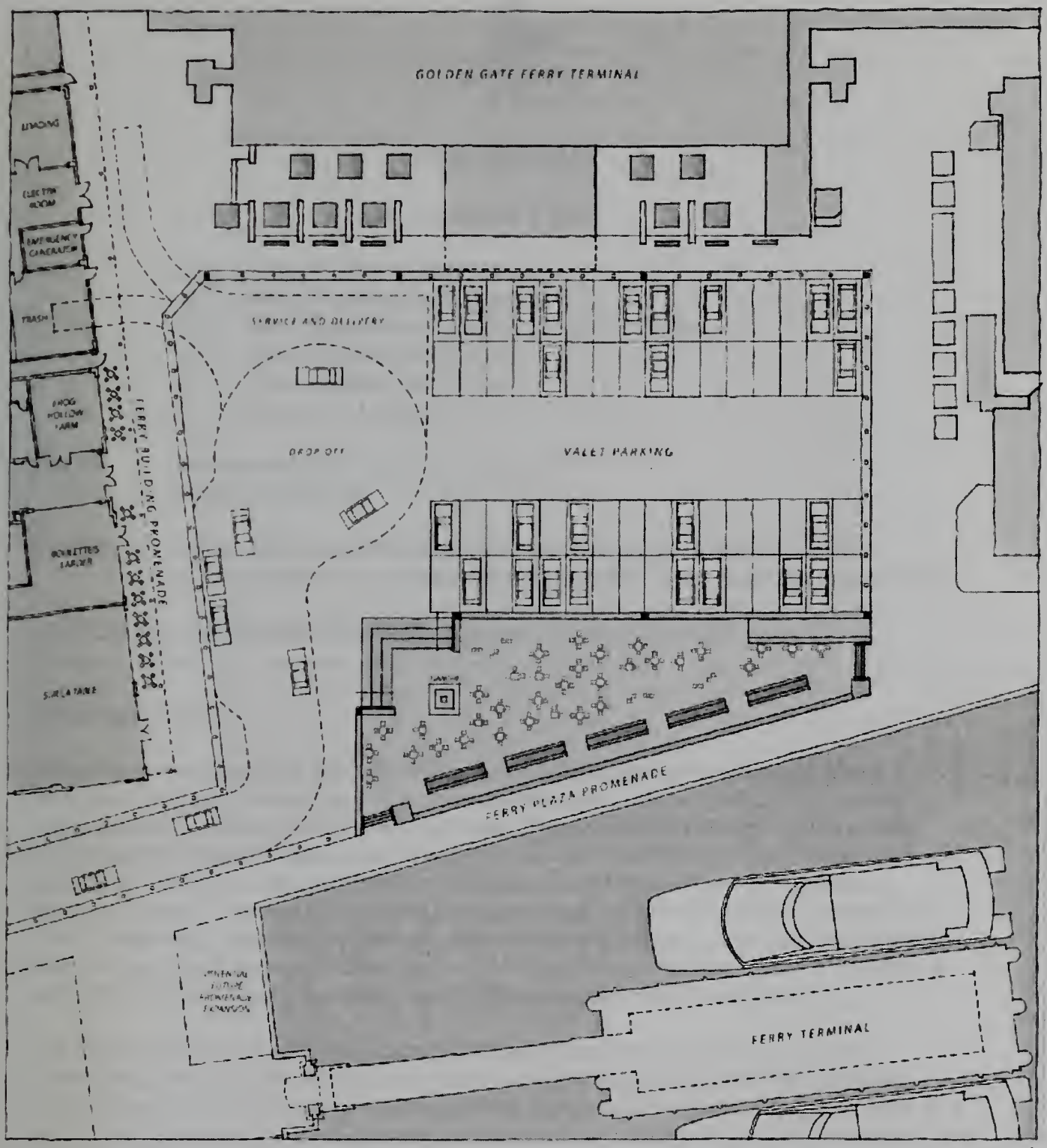


EXHIBIT 2 - VALET PARKING CONCEPT

PORT OF SAN FRANCISCO

MEMORANDUM

December 2, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Adoption of San Francisco Stormwater Design Guidelines and Recommendation of Stormwater Ordinance to the Board of Supervisors

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

INTRODUCTION

Stormwater management is a critical municipal responsibility which has a direct impact on public health and safety, surface water quality, and wildlife habitat. Like many California municipal agencies, the Port of San Francisco administers a Stormwater Management Program developed in accordance with the Federal Clean Water Act and a State of California National Pollution Discharge Elimination Permit ("Statewide General Permit"). Among the specific obligations set forth in this NPDES Permit, the Port is required to develop, implement and enforce a program to reduce pollutants in storm water runoff from new development and redevelopment projects. This effort is commonly referred to as a *post-construction stormwater control program.*

In February 2007 Port staff introduced a community planning effort to the Port Commission wherein the Port would partner with the San Francisco Public Utilities Commission (SFPUC) to develop a regulatory guidance document that fulfills state and federal requirements for post-construction stormwater runoff control. This document, the *Stormwater Design Guidelines ("Guidelines")*, integrates and provides synergy with other current planning efforts in San Francisco, including the Better Streets Plan, Sewer System Master Plan, and the Urban Forest Master Plan. It is designed to fulfill regulatory policy mandates of the federal Clean Water Act while at the same time functioning within the context of existing regulations and policies administered in San

This Print Covers Calendar Item No. 11A

Francisco. After extensive public outreach and comment, Port and SFPUC staffs have completed a final draft of the *Guidelines* and a Stormwater Ordinance that establishes an administrative framework to ensure compliance with requirements set forth in the *Guidelines.* Port staff requests that the Port Commission adopt the *Guidelines* and urge that the San Francisco Board of Supervisors and Mayor Gavin Newsom for approve the Stormwater Ordinance.

BACKGROUND

The *Guidelines* are driven by state and federal clean water regulatory requirements that apply to the City's separate storm sewer areas, which include the Port, Hunters Point Shipyard, Mission Bay, Treasure Island and various parcels that discharge to inland receiving waters (e.g., Lake Merced). Stormwater runoff in these areas accumulates pollutants such as petroleum, metals and sediment as it flows to waterways. The *Guidelines* establish an engineering, planning and regulatory framework for designing new infrastructure in a manner that reduces or eliminates these pollutants.

Low Impact Design

In keeping with Mayor Gavin Newsom's policy goals for promoting sustainable development in San Francisco, the project team is pursuing a "Low Impact Design" or "LID" approach for the *Guidelines*. LID strategies integrate green space, native landscaping, natural hydrologic functions and various other techniques to reduce pollution in runoff from developed land. LID serves multiple functions within a facility design, and can be integrated into civic open spaces and recreational areas. LID also achieves consistency with the policy goals of regulatory bodies that have jurisdiction over Port development, including the San Francisco Bay Conservation and Development Commission ("BCDC") and the San Francisco Planning Department. The Stormwater Design Guidelines consider a broad range of LID stormwater controls, including the following which can be incorporated into development projects as landscape or open space features:

- Vegetated swales
- Rain gardens and above ground planters
- Permeable pavers
- Treatment wetlands

LID stormwater controls are an element of LEED ("Leadership in Energy and Environmental Design") certification. Port staff has discussed LID /LEED synergy with development teams working on Port projects and the feedback has been positive.

Community Outreach

Because stormwater regulations require local agencies to promote public participation in program development, public outreach is a key component to the *Guidelines* planning process. The project team developed a database of over 2,000 community stakeholders, including members of Port waterfront advisory groups and local civic and environmental organizations. Public meetings were held in March and October 2007 to

solicit public feedback on the *Guidelines* process. Additional meetings and presentations were held with Port advisory groups and local civic groups. A summary of the public outreach is provided as Attachment A.

The Stormwater Design Guidelines Document

The *Guidelines* document is comprised of two volumes. The first volume provides policy overview and a San Francisco specific context for post-construction stormwater control requirements, and explains how these requirements will be incorporated into the City's planning and permit review process. The second volume is comprised of appendices that provide detailed instructions on how to develop a *Stormwater Control Plan*. Every applicant seeking a building permit, encroachment permit and/or CEQA approval within Port jurisdiction for a new development or redevelopment project over 5,000 square feet must submit a Stormwater Control Plan to the Port Engineering Division showing that they have incorporated appropriate stormwater controls into their project. Port planning and engineering staff will review Stormwater Control Plan submittals for adequacy.

The *Guidelines* include compliance strategies, a decision tree to assist the selection of stormwater controls, and spreadsheets that assist in sizing stormwater controls. A hypothetical example project illustrates how to complete each step in the design process, and a template for the Stormwater Control Plan is included at the end of the document. Port and SFPUC staff included this level of detail in the document with the goal of streamlining the permitting and approval process for stormwater controls.

The San Francisco Stormwater Ordinance

The Statewide General Permit includes specific provisions that require local government stormwater programs to demonstrate adequate regulatory oversight for post-construction control programs. Specifically:

> "*The Permittee must use an ordinance or other regulatory mechanism to address post-construction runoff from new development and redevelopment projects to the extent allowable under State or local law.* "[1]

Further, the San Francisco Bay Regional Water Quality Control Board (RWQCB) stated in a May 6, 2009 letter providing review and comments to the draft Guidelines:

> *"The Port must clarify its authority for enforcing implementation of the Guidelines for new development and redevelopment projects or provide a time schedule for adopting a storm water ordinance or other document to obtain this authority, prior to expiration of the General Permit. We stress the importance for SFPUC and the Port to develop a clear and enforceable stormwater ordinance to implement the Guidelines for both new and redevelopment projects."*

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[1] California State Water Resources Control Board, "General Permit for Stormwater Discharges from Small Municipal Storm Sewer Systems, Water Quality Order 2003-0005-DWQ.

Port and SFPUC staffs have developed an ordinance that is responsive to requirements of the Statewide General Permit (Attachment B). The ordinance includes the following provisions:

1) Establishment of regulatory authority in the San Francisco Public Works Code for the Port Executive Director or his/her designee for specific activities related to stormwater management.[2]

2) Detail as to which types of projects are required to comply with the *Guidelines*.

3) Requirements relating to the submittal of a Stormwater Control Plan for projects that must comply with the *Guidelines*.

4) A summary of prohibited discharges to the SFPUC and Port stormwater collection systems,

5) Detail regarding ongoing maintenance and inspection requirements for completed projects.

6) Provisions for enforcement and cost reimbursement for those projects which violate the *Guidelines*.

Port and SFPUC staffs will continue to solicit public review and comment during the Board of Supervisor approval process. After adoption by the Board of Supervisors the Guidelines will be applied and enforced by means of the Stormwater Ordinance. In early 2010 the Port Building Code will be revised to adopt the *Guidelines* and the Stormwater Ordinance.

REGULATORY APPROVALS

Development, approval and implementation of the San Francisco Stormwater Design Guidelines was determined to be Categorically Exempt from environmental review by the San Francisco Planning Department subject to Section 15308 of the CEQA Guidelines ("Actions Taken by Regulatory Agencies for Protection of the Environment").

SCHEDULE

The following table shows the proposed implementation schedule for the Guidelines.

MILESTONE	DATE
Port and SFPUC Commission Approval of the Guidelines, Adoption of Port Building Code Amendments, and Referral to Board of Supervisors	December 8, 2009
Board of Supervisors Adoption of Stormwater Ordinance	February 2010
Port Building Code Amendments	February 2010

[2] Article 4.1 of the San Francisco Public Works Code already delegates authority to the SFPUC General Manager to regulate discharges to the City's sewer and stormwater collection systems.

SUMMARY

In response to federal and state mandates, Port and SFPUC staffs have developed formal design guidelines for the reduction of stormwater pollution associated with new development and redevelopment in separately sewered areas of San Francisco. Effective administration of these guidelines requires that the San Francisco Board of Supervisors adopt an implementing ordinance. Port staff request that the Port Commission adopt the *San Francisco Stormwater Design Guidelines* and recommend the Stormwater Ordinance to the San Francisco Board of Supervisors and Mayor Gavin Newsom for approval. *The Stormwater Design Guidelines* will apply to all new development and redevelopment projects greater than 5,000 square feet in size and will go into effect February 2010.

Prepared By: John Mundy, Utility Specialist

For: Edward Byrne, Chief Harbor Engineer

Attachment A: Stormwater Design Guidelines Public Outreach Summary
Attachment B: San Francisco Stormwater Ordinance

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-75

WHEREAS, Urban stormwater runoff is a significant contributor of pollution to the San Francisco Bay and Pacific Ocean; and

WHEREAS, The Federal Clean Water Act and a State of California National Pollution Discharge Elimination System (NPDES) Permit require the City and County of San Francisco to administer a Stormwater Management Program to reduce pollution in stormwater runoff in San Francisco's municipal separate storm sewer systems; and

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise and the Port of San Francisco (Port) have been charged with developing and implementing said Stormwater Management Program in a manner that fulfills state and federal requirements for regulation of post-construction stormwater runoff control and provides the means to enforce the requirements of the program; and

WHEREAS, Port and SFPUC staff have developed the *San Francisco Stormwater Design Guidelines (Guidelines)*, which define regulatory thresholds and requirements for development projects, and offer San Francisco-specific approaches for stormwater management, including Low Impact Design (LID) solutions; and

WHEREAS, The SFPUC and the Port conducted an extensive community planning and public outreach effort in support of *Guidelines* development and incorporated input from community and technical stakeholders into the final *Guidelines* document; and

WHEREAS, The *Guidelines* require the use of (LID) wherever feasible and are thereby consistent with Mayor Gavin Newsom's policy goals to promote greening and sustainable development in San Francisco; and

WHEREAS, The *Guidelines* are designed to work within the context of existing San Francisco regulations and policies, and are consistent with the City's Building Code and Planning Code requirements; and

WHEREAS, The proposed Stormwater Ordinance establishes an administrative framework to ensure compliance with requirements set forth in the *Guidelines*; and

WHEREAS, The Port of San Francisco derives its authority to regulate and permit building construction or improvements within its jurisdiction from the Burton Act (Chapter 1333 of the Statutes of 1968) and from relevant sections of the Agreement Relating to Transfer of the Port of San Francisco from the State of California to the City and County of San Francisco; and

WHEREAS, The Port Commission has established its own building department with the responsibility for enforcement, administration, and interpretation of building standards on Port property; and

WHEREAS, The Planning Department has determined that the actions contemplated in this resolution are in compliance with the California Environmental Quality Act (California Public Resources Code sections 21000 et seq.). Said determination is on file with the Secretary of the Port Commission for Item No. 11A and is incorporated herein by reference, now, therefore, be it

RESOLVED, That the Port Commission, pursuant to its Charter authority to adopt rules and regulations, hereby adopts the San Francisco Stormwater Design Guidelines; and be it further

RESOLVED, That the Port Commission urges the San Francisco Board or Supervisors and Mayor Gavin Newsom to adopt the Stormwater Ordinance for incorporation in the San Francisco Public Works Code; and be it further

RESOLVED, That Port staff incorporates the Stormwater Ordinance by reference into the Port Building Code after adoption by the Board or Supervisors.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of December 8, 2009.

_____
Secretary

TO: Starr Terrell, Mayor's Office
Astrid Haryati, Mayor's Office

DATE: November 20, 2009

FROM: John Mundy, Port of San Francisco
Sarah Minick, San Francisco Public Utilities Commission
Nathan Purkiss, San Francisco Public Utilities Commission

SUBJECT: San Francisco Stormwater Design Guidelines

Like most California municipal agencies, the Port of San Francisco ("Port") and the San Francisco Public Utilities Commission ("SFPUC") administer a Stormwater Management Program developed in accordance with the Federal Clean Water Act and a State of California National Pollution Discharge Elimination Permit ("Statewide General Permit"). Among the specific obligations set forth in this NPDES Permit, the SFPUC and the Port are required to develop, implement and enforce a program to reduce pollutants in storm water runoff from new development and redevelopment projects. This effort is commonly referred to as a *post-construction stormwater control program.* The policy document for San Francisco's post-construction stormwater control program is known as the *San Francisco Stormwater Design Guidelines ("Guidelines")*

Sustainability Focus

In keeping with Mayor Gavin Newsom's policy goals for promoting sustainable development in San Francisco, the project team is pursuing a "Low Impact Design" or "LID" approach for the *Guidelines*. LID, also known as green infrastructure, integrates open space and streetscape design, native landscaping, and various other techniques to reduce pollution in runoff from developed land while at the same time restoring natural hydrologic function. LID serves multiple functions within a facility design, and can be integrated into civic open spaces and recreational areas. LID also promotes the policy goals of regulatory bodies that have jurisdiction over City development, including the San Francisco Bay Conservation and Development Commission and the San Francisco Planning Department. LID stormwater controls can be incorporated as an element of LEED certification. Port and SFPUC staffs have discussed LID /LEED synergy with development teams working and Port projects, and the feedback has been positive.

Community Outreach

Because stormwater regulations require local agencies to promote public participation in program development, public outreach was a key component to the Stormwater Design

Guidelines planning process. In February 2007 Port and SFPUC staff initiated a community planning effort for the *Guidelines* by developing a database of over 2,000 community stakeholders, including members of Port waterfront advisory groups and local civic and environmental organizations. Public meetings were held to solicit public feedback on the *Guidelines* content and process, and a preliminary draft of the document was distributed to local engineers, designers and planners for technical review prior to publication for public review and comment. Additional meetings and presentations were held with Port advisory groups, local civic organizations, and community and technical groups. Community feedback was overwhelmingly supportive, and reflects a group of stakeholders who are relatively sophisticated in matters related to sustainability and urban planning. See Tables 1 and 2 for a summary of key stakeholders and outreach performed in support of *Guidelines* development.

Targeted Technical Outreach

In addition to the outreach activities summarized above, the SPFUC Wastewater Enterprise presented quarterly updates to its Citizens Advisory Committee and interested stakeholders. Port and SFPUC staffs have also provided outreach and technical assistance to a number of the larger projects currently under development in San Francisco, including

- 2001 Market Street
- Armstrong Senior Housing
- Branch Library Improvement Projects
- California Pacific Medical Center
- Cathedral Hill Hospital
- Executive Park
- Exploratorium
- General Hospital
- Hunter's View
- Hunters Point Shipyard/Candlestick Park Redevelopment Area
- Mission Bay Redevelopment Area
- Pier 70
- Schlage Lock Redevelopment Area
- Seawall Lot 337/China Basin
- Sunnydale Redevelopment Area

Governmental Outreach and Coordination

Administration of the *Guidelines* requires adoption of an ordinance by the Board of Supervisors. The project team requests the Mayor's support in sponsoring legislation for the ordinance in partnership with Supervisor Sophie Maxwell. We would also like to pursue discussions regarding development of a press release or other public outreach that establishes synergy between the *Guidelines,* the Better Streets Plan and Astrid's Green Landscaping Ordinance.

Table 1: Key Stakeholders for Stormwater Design Guidelines

ORGANIZATION	Name
Sierra Club	Becky Evans
Save the Bay	David Lewis
California Clean Water Action	Jennifer Clary
Bay Planning Coalition	Ellen Johnck
Friends of Islais Creek	Robin Chiang
SWALE	Alex Lantsberg
Baykeeper	Amy Chastain
Audubon Society	Ruth Gravanis
San Francisco Beautiful	Robin Chiang
Mayor's Office of Greening	Astrid Haryati
SF Commercial Builders	Hector Huerta
Supervisor Sophie Maxwell	Sophie Maxwell
Mayor's Office of Economic Develeopment	Jesse Blout
Residential Builders Association	Joe O'Donoghue
Citizens to Save the Waterfront	Jon Golinger
Mission Creek Bicycle Coalition	Judy West
BVHP Democratic Club	Karen Pierce
SPUR	Laura Tam
Regional Water Quality Control Board	Keith Lichten
San Francisco Department of Environment	Mark Palmer
Fisherman's Wharf Environmental Quality Advisory Committee	Meg Reilly
SF BCDC	Joe LeClair
Dogpatch Neighborhood Assoc.	Susan Eslick
Fisherman's Wharf Merchants Association	Pansy Tom
Bay Area Economic Forum	R. Sean Randolph
Southern Waterfront Advisory Committee	Wendy Brummer
San Francisco Planning and Urban Research Institute	Laura Tam
ArcEcology	Saul Bloom
Hunters Point Shipyard CAC	Nicole Franklin
Treasure Island Development Authority CAC	Mike DeLane
Mission Bay Task Force & Hunters Point Shipyard Task Force	Don Miller/Asher Yoseph
SFPUC CAC	Betsy Lauppe Rhodes
SFPUC CAC Wastewater Subcommittee	Idil Bereket
Lake Merced Task Force	Mondy Lariz
Neighborhood Parks Council	Colleen Flynn
Mission Bay North & South, SF Redevelopment Agency PM	Amy Neches
San Francisco Redevelopment Agency	Kevin Masuda

Table 2: Stormwater Design Guidelines Public Outreach Activities, 2007-2009

Date	Outreach Method	Target Audience
February 27, 2007	Commission Meeting	Introduce *Guidelines* project to Port Commission
March 10, 2007	Public Meeting	General public, water conservation and green building community.
March 28, 2007	Port Advisory Committee	Southern Waterfront Advisory Committee: Bayview-Hunters Point local businesses, citizens and environmental community.
October 27, 2007	Public Meeting	General public, water conservation community, green building community.
May 13, 2008	Commission Meeting	Informational Update to Port Commission
June 2008	Publish *Guidelines* for Peer Review	Regulatory, design, engineering and development community.
July 9, 2008	Interdepartmental	Branch Library Improvement Program.
November 12, 2008	Interdepartmental	Resource Efficient Building Task Force (green building community).
December 1, 2008	Targeted Stakeholder	"Burn Green", local rainwater harvesting activists.
January 8, 2009	Interdepartmental/Targeted Community	San Francisco Department of Environment Integrated Pest Management Program staff and stakeholders.
January 22-23, 2009	Technical Workshop	Low Impact Design technical workshop targeting design and engineering community.
January 30, 2009	Interdepartmental	SFUSD project managers and architects.
February 18, 2009	Targeted Stakeholder	Green Building Professionals Guild, general public, designers, builders, contractors, green business owners.
February 26, 2009	Publish *Guidelines* for Public Review	Design, engineering and development community, environmental stakeholders, and general public.
March 17, 2009	Port Advisory Committee	Fisherman's Wharf Waterfront Advisory Committee: local businesses, citizens and environmental community.
March 24, 2009	Targeted Stakeholder	Pacific Energy Center Water Conservation Showcase: general public, water conservation community, green building community.
April 29, 2009	Targeted Stakeholder	Building Owners and Managers Association.
May 1, 2009	Interdepartmental	SFPUC Sewer System Master Plan project team.
May 27, 2009	Port Advisory Committee	Southern Waterfront Advisory Committee: Bayview-Hunters Point local businesses, citizens and environmental community.
June 5, 2009	Targeted Stakeholder	Sustainable Building Advisor Program: general public, designers, contractors, green business owners.
June 8, 2009	Targeted Stakeholder	San Francisco Planning + Urban Research Association: brownbag presentation to planning, policy, design and development professionals.
July 24, 2009	Interdepartmental/Targeted Stakeholder	Street Parks Workshop: SFDPW staff and general public.
September 15, 2009	Port Advisory Committee	Fisherman's Wharf Waterfront Advisory Committee: local businesses, citizens and environmental community.
September 24, 2009	Interdepartmental	SFDPH Healthy Planning Research and Tools: SFDPH staff.
October 2, 2009	Targeted Stakeholder	West Coast Green: general public, designers, builders, contractors, green business owners.
October 13, 2009	Commission Meeting	Informational Update to Port Commission
November 4, 2009	Targeted Stakeholder	Green Roofs for Healthy Cities: general public, designers, builders, contractors, green business owners.

ATTACHMENT A

TO: Starr Terrell, Mayor's Office
Astrid Haryati, Mayor's Office

DATE: November 20, 2009

FROM: John Mundy, Port of San Francisco
Sarah Minick, San Francisco Public Utilities Commission
Nathan Purkiss, San Francisco Public Utilities Commission

SUBJECT: San Francisco Stormwater Design Guidelines

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Community Outreach

Because stormwater regulations require local agencies to promote public participation in program development, public outreach was a key component to the Stormwater Design

Guidelines planning process. In February 2007 Port and SFPUC staff initiated a community planning effort for the *Guidelines* by developing a database of over 2,000 community stakeholders, including members of Port waterfront advisory groups and local civic and environmental organizations. Public meetings were held to solicit public feedback on the *Guidelines* content and process, and a preliminary draft of the document was distributed to local engineers, designers and planners for technical review prior to publication for public review and comment. Additional meetings and presentations were held with Port advisory groups, local civic organizations, and community and technical groups. Community feedback was overwhelmingly supportive, and reflects a group of stakeholders who are relatively sophisticated in matters related to sustainability and urban planning. See Tables 1 and 2 for a summary of key stakeholders and outreach performed in support of *Guidelines* development.

Targeted Technical Outreach

In addition to the outreach activities summarized above, the SPFUC Wastewater Enterprise presented quarterly updates to its Citizens Advisory Committee and interested stakeholders. Port and SFPUC staffs have also provided outreach and technical assistance to a number of the larger projects currently under development in San Francisco, including

- 2001 Market Street
- Armstrong Senior Housing
- Branch Library Improvement Projects
- California Pacific Medical Center
- Cathedral Hill Hospital
- Executive Park
- Exploratorium
- General Hospital
- Hunter's View
- Hunters Point Shipyard/Candlestick Park Redevelopment Area
- Mission Bay Redevelopment Area
- Pier 70
- Schlage Lock Redevelopment Area
- Seawall Lot 337/China Basin
- Sunnydale Redevelopment Area

Governmental Outreach and Coordination

Administration of the *Guidelines* requires adoption of an ordinance by the Board of Supervisors. The project team requests the Mayor's support in sponsoring legislation for the ordinance in partnership with Supervisor Sophie Maxwell. We would also like to pursue discussions regarding development of a press release or other public outreach that establishes synergy between the *Guidelines,* the Better Streets Plan and Astrid's Green Landscaping Ordinance.

Table 1: Key Stakeholders for Stormwater Design Guidelines

ORGANIZATION	Name
Sierra Club	Becky Evans
Save the Bay	David Lewis
California Clean Water Action	Jennifer Clary
Bay Planning Coalition	Ellen Johnck
Friends of Islais Creek	Robin Chiang
SWALE	Alex Lantsberg
Baykeeper	Amy Chastain
Audubon Society	Ruth Gravanis
San Francisco Beautiful	Robin Chiang
Mayor's Office of Greening	Astrid Haryati
SF Commercial Builders	Hector Huerta
Supervisor Sophie Maxwell	Sophie Maxwell
Mayor's Office of Economic Develeopment	Jesse Blout
Residential Builders Association	Joe O'Donoghue
Citizens to Save the Waterfront	Jon Golinger
Mission Creek Bicycle Coalition	Judy West
BVHP Democratic Club	Karen Pierce
SPUR	Laura Tam
Regional Water Quality Control Board	Keith Lichten
San Francisco Department of Environment	Mark Palmer
Fisherman's Wharf Environmental Quality Advisory Committee	Meg Reilly
SF BCDC	Joe LeClair
Dogpatch Neighborhood Assoc.	Susan Eslick
Fisherman's Wharf Merchants Association	Pansy Tom
Bay Area Economic Forum	R. Sean Randolph
Southern Waterfront Advisory Committee	Wendy Brummer
San Francisco Planning and Urban Research Institute	Laura Tam
ArcEcology	Saul Bloom
Hunters Point Shipyard CAC	Nicole Franklin
Treasure Island Development Authority CAC	Mike DeLane
Mission Bay Task Force & Hunters Point Shipyard Task Force	Don Miller/Asher Yoseph
SFPUC CAC	Betsy Lauppe Rhodes
SFPUC CAC Wastewater Subcommittee	Idil Bereket
Lake Merced Task Force	Mondy Lariz
Neighborhood Parks Council	Colleen Flynn
Mission Bay North & South, SF Redevelopment Agency PM	Amy Neches
San Francisco Redevelopment Agency	Kevin Masuda

Table 2: Stormwater Design Guidelines Public Outreach Activities, 2007-2009

Date	Outreach Method	Target Audience
February 27, 2007	Commission Meeting	Introduce *Guidelines* project to Port Commission
March 10, 2007	Public Meeting	General public, water conservation and green building community.
March 28, 2007	Port Advisory Committee	Southern Waterfront Advisory Committee: Bayview-Hunters Point local businesses, citizens and environmental community.
October 27, 2007	Public Meeting	General public, water conservation community, green building community.
May 13, 2008	Commission Meeting	Informational Update to Port Commission
June 2008	Publish *Guidelines* for Peer Review	Regulatory, design, engineering and development community.
July 9, 2008	Interdepartmental	Branch Library Improvement Program.
November 12, 2008	Interdepartmental	Resource Efficient Building Task Force (green building community).
December 1, 2008	Targeted Stakeholder	"Burn Green", local rainwater harvesting activists.
January 8, 2009	Interdepartmental/Targeted Community	San Francisco Department of Environment Integrated Pest Management Program staff and stakeholders.
January 22-23, 2009	Technical Workshop	Low Impact Design technical workshop targeting design and engineering community.
January 30, 2009	Interdepartmental	SFUSD project managers and architects.
February 18, 2009	Targeted Stakeholder	Green Building Professionals Guild, general public, designers, builders, contractors, green business owners.
February 26, 2009	Publish *Guidelines* for Public Review	Design, engineering and development community, environmental stakeholders, and general public.
March 17, 2009	Port Advisory Committee	Fisherman's Wharf Waterfront Advisory Committee: local businesses, citizens and environmental community.
March 24, 2009	Targeted Stakeholder	Pacific Energy Center Water Conservation Showcase: general public, water conservation community, green building community.
April 29, 2009	Targeted Stakeholder	Building Owners and Managers Association.
May 1, 2009	Interdepartmental	SFPUC Sewer System Master Plan project team.
May 27, 2009	Port Advisory Committee	Southern Waterfront Advisory Committee: Bayview-Hunters Point local businesses, citizens and environmental community.
June 5, 2009	Targeted Stakeholder	Sustainable Building Advisor Program: general public, designers, contractors, green business owners.
June 8, 2009	Targeted Stakeholder	San Francisco Planning + Urban Research Association: brownbag presentation to planning, policy, design and development professionals.
July 24, 2009	Interdepartmental/Targeted Stakeholder	Street Parks Workshop: SFDPW staff and general public.
September 15, 2009	Port Advisory Committee	Fisherman's Wharf Waterfront Advisory Committee: local businesses, citizens and environmental community.
September 24, 2009	Interdepartmental	SFDPH Healthy Planning Research and Tools: SFDPH staff.
October 2, 2009	Targeted Stakeholder	West Coast Green: general public, designers, builders, contractors, green business owners.
October 13, 2009	Commission Meeting	Informational Update to Port Commission
November 4, 2009	Targeted Stakeholder	Green Roofs for Healthy Cities: general public, designers, builders, contractors, green business owners.

[Stormwater Management.]

Ordinance amending the San Francisco Public Works Code by adding Article 4.2, sections 147 – 147.6, requiring the development and maintenance of stormwater management controls for specified activities that disturb 5,000 square feet or more of the ground surface, and are subject to building, planning and subdivision approvals.

Note: Additions are *single-underline italics Times New Roman*; deletions are ~~*strikethrough italics Times New Roman*~~. Board amendment additions are double underlined. Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Environmental Findings. The Planning Department has determined that the actions contemplated in this Ordinance are in compliance with the California Environmental Quality Act (California Public Resources Code sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. _____ and is incorporated herein by reference.

Section 2. The San Francisco Public Works Code is hereby amended by repealing Sections 140 – 149.4 of Article 4.2.

Section 3. The San Francisco Public Works Code is hereby amended by adding Sections 147 – 147.6, to Article 4.2, to read as follows:

Article 4.2. SEWER SYSTEM MANAGEMENT.

Section 147. Stormwater Management

(a) The intent of Sections 147 – 147.6 is to protect and enhance the water quality in the City and County of San Francisco's sewer system, stormwater collection system and receiving waters pursuant to, and consistent with Federal and State laws, lawful standards and orders

(1) minimizing increases in pollution caused by stormwater runoff from development that would otherwise degrade local water quality;

(3) controlling the discharge to the City's sewer and drainage systems from spills, dumping or disposal of pollutants; and

(4) reducing stormwater run-off rates, volume, and nonpoint source pollution whenever possible, through stormwater management controls, and ensuring that these management controls are safe and properly maintained.

Section 147.1. Definitions.

In addition to the definitions provided in section 119 of Article 4.1 of this Code, the following definitions shall apply:

(a) Best management practices or "BMPs." Structural devices, measures, or programs used to reduce pollution in stormwater runoff. BMPs manage the quantity and improve the quality of stormwater runoff in accordance with the Guidelines and applicable state and federal regulatory requirements.

(b) Department. The San Francisco Public Utilities Commission. With regard to stormwater management in areas of the City under the jurisdiction of the Port Commission, "Department" means the San Francisco Port Commission until the Port Commission adopts its own standards and procedures.

(c) Development Project. Any activity disturbing 5,000 square feet or more of the ground surface, measured cumulatively from the effective date of this Article. Activities that disturb the ground surface include, but are not limited to, the construction, modification, conversion, or alteration of any building or structure and associated grading, filling, excavation, change in the existing topography, and the addition or replacement of impervious surface. All sidewalks, parking, driveways, and landscaped and irrigated areas constructed in

(i) Pollutant. Any substance listed in sec. 119(aa) of Article 4.1 of the Public Works Code or any substance described as a pollutant in the Guidelines.

(j) Separate Stormwater/sewer System. Stormwater and sanitary sewage collection facilities that convey, treat and discharge stormwater and sewage in separated catchbasins, pipelines, treatment facilities, outfalls, and other facilities, and do not combine stormwater and sewage in the same facilities.

(k) Stormwater. Water that originates from atmospheric moisture (rainfall or snowfall) and that falls onto land, water or other surfaces.

(l) Stormwater Collection System. All City facilities operated by the San Francisco Public Utilities Commission or the Port of San Francisco for collecting, transporting, treating and disposing of stormwater. For purposes of this Article, the Stormwater Collection System includes facilities owned and operated by public entities other than the City, where such facilities direct stormwater into the Stormwater Collection System and are subject to the jurisdiction of the San Francisco Public Utilities Commission or the Port of San Francisco as defined by law, contract, or interjurisdictional agreement.

(m) Stormwater Control. A device designed to remove pollution in stormwater runoff through detention, retention, filtration, or infiltration.

(n) Stormwater Control Plan. A plan that meets all applicable criteria, performance standards and other requirements contained in this Article and the Guidelines.

Section 147.2. Stormwater Control Plan

(a) Development Projects. Every application for a Development Project , including, but not limited to, a building or encroachment permit conditional use permit, variance, site permit, or design review, shall be accompanied by a Stormwater Control Plan that meets the stormwater control criteria provided by the Guidelines. No City department shall approve or

(4) This Subsection (b) shall not apply to tentative subdivision maps or parcel maps submitted solely for the purposes of condominium conversion, as defined in San Francisco Subdivision Code Section 1308(d).

Sec. 147.3. Limitations and Prohibited Discharges.

(a) The establishment, use, maintenance or continuation of any unauthorized drainage connections to the Stormwater Collection System is prohibited.

(b) The discharge of Pollutants and Non-stormwater Discharges into the stormwater collection facilities located in the Separate Stormwater/sewer System portions of the Stormwater Collection System is prohibited, except as provided in this section.

(c) The following discharges are exempt from the prohibitions set forth subsection (b) above if the Regional Water Quality Control Board approves the exempted category under section C. 11. of the City's NPDES permit: uncontaminated pumped groundwater, foundation drains, water from crawl space pumps, footing drains, air conditioning condensate, irrigation water, landscape irrigation, lawn or garden watering, planned and unplanned discharges from potable water sources, water line and hydrant flushing, individual residential car washing, discharges or flows from emergency fire fighting activities, dechlorinated swimming pool discharges.

Section 147.4. Compliance with Maintenance and Inspection Requirements.

(a) All Stormwater Controls shall be maintained according to the Guidelines and the operation and maintenance plan included in the approved Stormwater Control Plan. The person(s) or organization(s) responsible for maintenance shall be designated in the plan. Those persons responsible for maintenance shall inspect the Stormwater Controls at least annually and shall maintain the Stormwater Controls as required by the Guidelines and described in the Stormwater Control Plan.

accordance with the Guidelines and sections 133 and 134 of Article 4.1 of the Public Works Code.

Section 147.6 Severability

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Article, is for any reason held to be unconstitutional, invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Article. The Board of Supervisors declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Article irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases could be declared unconstitutional, invalid or ineffective.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
JOHN RODDY
Deputy City Attorney

SAN FRANCISCO PORT COMMISSION

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DECEMBER 8, 2009
MINUTES OF THE MEETING

MEMBERS, PORT COMMISSION
HON. RODNEY FONG, PRESIDENT
HON. STEPHANIE SHAKOFSKY, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. MICHAEL HARDEMAN
HON. ANN LAZARUS

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CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
DECEMBER 8, 2009

1. CALL TO ORDER / ROLL CALL

Commission President Rodney Fong called the meeting to order at 2:05 p.m. The following Commissioners were present: Kimberly Brandon, Michael Hardeman and Ann Lazarus. Commissioner Stephanie Shakofsky arrived at 2:15 p.m.

2. APPROVAL OF MINUTES - November 10, 2009

ACTION: Commissioner Lazarus moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; the minutes of the November 10, 2009 were adopted.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Lazarus moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 2:06 p.m., the Port Commission withdrew to executive session to discuss the following:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER AND ANTICIPATED LITIGATION.

a. Discuss existing litigation matter pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d) (1 case) (Discussion):

<u>City and County of San Francisco v. William Dawson dba Seafood Suppliers, Inc</u>. (San Francisco Superior Court, Case No. CUD-06-620512)

b. Closed session authorized pursuant to California Government Code Section 54956.9 (c) and San Francisco Administrative Code Section 67.10(d):

Number of potential cases: 3 As Plaintiff

Proposed settlement of Port's property damage claim against Recology/Golden Gate D&R Co. for damage to the Pier 9 shed caused by a motor vehicle collision on July 9, 2009. Proposed settlement of Port's claim for payment of $13,219.36 to the Port, in exchange for a full and final release of claims. (Discussion and action item.)

Proposed settlement of Port's property damage claim against Joe Nazar for damage to the Hyde Street Harbor dock caused by a vessel collision on November 8, 2008. Proposed settlement of Port's claim for payment of $13,964.73 to the Port, in exchange for a full and final release of claims. (Discussion and action item.)

5. RECONVENE IN OPEN SESSION

At 3:15 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Shakofsky made a motion to adjourn executive session and reconvene in open session; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Shakofsky made a motion to disclose that the Commission had voted unanimously to approve the settlement with Recology/ Golden Gate DNR Company and the settlement with Joe Nazir. Each is described in Item 4.a.1.b of the executive session agenda and to not disclose any other information discussed in executive session. Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

Commissioner Fong announced that during the course of the meeting he's going to recuse himself on Items 8B, 9B, as well as 10A.

6. ANNOUNCEMENTS. The Commission Secretary announced the following:

A. **Announcement of Prohibition of Sound Producing Devices During the Meeting**

Please be advised that the ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

B. **Announcement of Time Allotment For Public Comments**

Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

7. EXECUTIVE

A. Executive Director's Report: Executive Director Monique Moyer reported the following:

- Schedule of Port Commission Meetings for 2010.
  Ms. Moyer welcomed several people in the audience who have never been at this meeting before and pointed to the time clock and reminded speakers to be mindful of the time allotted to each speaker.

  The Port Commission meeting schedule for 2010 is exactly as prescribed in the Port Commission bylaws, whereby certain months, six to be exact, have two Commission meetings, the second and fourth Tuesday of the month; and certain months, another six, have only one Commission meeting, the second Tuesday of the month. We will monitor the agendas as we go forward, and we might cancel one or two meetings if we don't have enough items. For the time being we have plenty of work to do, and we will be on our normal schedule. It's the first time in a couple of years where we've adhered to the normal schedule.

- Seven New Cruise Bookings for 2011
  The week before Thanksgiving, there was a very sizeable conference in Miami put on by the Cruise Lines International Association. They've come to San Francisco twice to give grants and/or gifts to certain non-profit entities in and around the Bay Area. It's an association of the major cruise lines. Peter Dailey, deputy director of maritime, and Michael Nerney, maritime marketing manager, attended the trip, and they came home with the bacon and extended her kudos to both of them. They were able to target a couple of key accounts. Most importantly, a company called Prestige Cruise Holdings, also known as Regent Seven Seas Cruises, and Oceana Cruises. Both, on behalf of Prestige, have confirmed that they will do seven cruise bookings in 2011. That will mean that the Oceana Line will come to San Francisco for the first time ever, so it's a very big coup for all of us.

  That's in addition to the booking by Disney Cruise Line for 2011 and the return of Crystal Cruises after six years in 2011. We are seeing a change in the Alaskan market, which has a ricochet effect on the San Francisco market. Carnival, Princess, Royal Caribbean, Norwegian Cruise lines, and Holland America have all announced plans to reduce their capacity in Alaska for 2010. They mentioned it has to do with the fact that there are growing fees, taxes, and regulation in Alaska that are influencing their decision. Almost half of the cruise calls that the Port of San Francisco gets are on behalf of the Alaskan itinerary. We're picking up some new cruises

to Alaska, and we're losing some others. In all likelihood 2011 will be flat or moderately better than 2010. She's very pleased by the work of Peter and Michael and everyone in the Maritime Division and thanked them for their efforts.

- Commendation for Belen Afable, Personnel Analyst, on her retirement
  Belen Afable has been with the Port for a very long time. She is a personnel analyst in our Finance and Administration Division. Belen was a school teacher in the Philippines for 13 years before coming to the United States exactly 30 years ago, where she joined the San Francisco Unified School District and worked at Horace Mann Middle School and Francisco Middle School until 1982, when she joined the Civil Service Commission as a personnel clerk. They loved her so much that they, too, will be honoring her at their meeting next week. Then we managed to get her to come over to the Port in 1985, and she's been here ever since. If you are a Port employee, no doubt one of the first faces you'll ever see is Belen's. She is the keeper of everything that provides you with your paycheck, your medical insurance, your key card -- anything of import. She is one of the most favored employees in all of the Port. She's very friendly, and she sings. If you're not careful, she will convince you that you, too, should sing with her. As to her popularity, somehow people actually do that. We're going to miss her. She wished Belen best of luck and offered her congratulations. Most importantly, she thanked her for her incredible work. It will be difficult to replace her. She hopes she'll consider coming back to the Port now and then.

  Commissioner Rodney Fong, on behalf of the Port Commission, read the following inscription on the plaque and presented Belen with the plaque: "In appreciation for your hard work and dedication for 30 years, January 1980 to January 2010, Port of San Francisco."

  Lavena Holmes-Williams, assistant deputy director of Human Resources at the Port, indicated that we're here to celebrate Belen's retirement. In her 25 years with the city, what she appreciates most about Belen is she has never said, "We've always done things this way, and this is the way that they should be done." She's always welcomed new approaches to Human Resources. She's maintained her learning. She's gone to every computer course imaginable. We really appreciate all of her efforts in Human Resources. Belen was here, before the Commission, in 2000, when she received a commendation for outstanding service to the Port in the year 2000 and for consistent exemplification of the Port's customer service model. That is what she does on a daily basis. When our employees come in, they go to see Belen first. She takes care of all their needs. She thanked her and honor her. She invited the Commission to attend several other events planned as we say goodbye to our dear friend Belen.

  Tom Meisenbach, superintendent of harbor maintenance for the Port of San Francisco, asked what the Port will do without Belen. This lady has

made things so easy for him as a maintenance supervisor and superintendent for hiring folks. Out of the 115 folks at maintenance, she's probably been a part of hiring at least 95 percent of them. We have the utmost respect for Belen. She's been an incredible lady. Again, on behalf of maintenance, he thanked her so much. We're going to miss Belen.

Vicky Lee, Real Estate, indicated that she got injured a couple months ago. Besides Belen sending her all the paperwork, back and forth, she included little notes on every page. She knows how to do it but Belen took the time to explain every step of the form. Besides the note, she put another personal note, a very touching Get Well note and asking how she's doing. She felt good about it and learned that we're just not doing our job but it's important to put your heart in what you do and make people feel very important. She thanked Belen for she has learned that from her.

Brad Benson indicated that he remembers when he came down to the Port and his second daughter was on the way. He was planning of taking advantage of the family leave policy that the city has, which is a great policy. It was fabulous to work with Belen and be able to figure out all of those steps that were needed. She provided that service to so many people. On behalf of all Port employees, he thanked her so much.

Belen Afable thanked everybody for their kind words. She thanked her coworkers, who gave her strength all these years. She's going to miss everybody. She has mixed feelings. One half of her is happy; the other side of her is sad because she's going to be leaving people who have been dear to her. She'd like to thank everyone for their support for all these years, because without their support her job would have been the hardest job ever. She thanked the Commissioners and Monique for this recognition. She will put the plaque in the biggest room in her house.

- <u>Commendation for Nilda Casipit, Principal Administrative Analyst, Accounting, on her retirement</u>
  Nilda Casipit started with the city 35 years ago this past November. She spent 15 years trying on various departments before she finally got smart and came over to the Port for the last two decades. She's been with the City Attorney's office, the San Francisco Police Department, ultimately the San Francisco Airport, and finally with the Port of San Francisco. She has the most amazing eagle eyes of anyone that most of us have ever met. We've all at some point tried to change a digit or slip a number by her, not sign on the right line, and she will very politely get back in touch with us one way or another to make sure that we've dotted our i's, crossed our t's and actually added correctly. She, too, will be very much missed. Nilda is also a member of the Finance and Administration Division. She's an integral person working under John Woo, who is the acting CFO. We wish Nilda very well and thanked her. We hope she enjoys her retirement but encourage her to always come back, especially for the Christmas parties, where Belen has committed to singing going forward. Best wishes and

many, many, many thanks for the incredible load that she's carried for us for the last two decades. We will always be in her debt.

Commissioner Rodney Fong, on behalf of the Port Commission, read the inscription: "In appreciation for your 20+ years of hard work and dedication at the Port of San Francisco, April 1989 to January 2010" and presented Nilda with the plaque.

John Woo, fiscal officer and acting CFO, over 35 years of city service and over 20 at the Port. Most accountants like to stay in the back office and out of the limelight. This afternoon the spotlight's on Nilda. We want to commemorate your years of faithful service to both the Port and the City. He's worked with the Port for 15 years, and Nilda is the one close associate and colleague that he's worked with for the longest duration in his entire work life. 15 years is a long time. In that context he personally counts it a privilege to have worked with Nilda.

Nilda has had a very full accounting career with the City. She started in 1974 as an entry level classification 1650 accountant. She's moved all the way up through the accounting series with promotions to 1652 senior accountant, 1654 principal accountant; and when she came to the Port she was the 1656 head accountant. She became reclassified as an 1823 senior administrative analyst, promoted next to a 1657 senior systems accountant, and now she's retiring as an 1824 principal administrative analyst. That's all quite a mouthful and hard to follow. The City DHR, the human resources unit, just changed the accountant series. Now it's going to be accountant 1, 2, 3, and 4. So she's been through all those ranks and some.

Nilda started at the Port in April 1989 as a head accountant, a very high-level accountant, usually in a supervisory role. Over the years she has performed, worked in, and supervised many of our important functions in the accounting unit -- operations in accounts payable, budgets, contracts, grants, and broader project cost accounting. During this time she became particularly adept at working with FAMIS, the City's accounting system and has built quite a network of friends and contacts, including at the Controller's office where her husband worked as a senior systems manager. Her husband left City service in October.

Nilda's knowledge and her skill and her easy access to a wide network of technical contacts will definitely be missed by Port staff. In talking about systems, what do you think accounting work looked like 35 years ago? Most people would think of green eyeshades, lots of paper forms, and probably manual ledger books. There was certainly a lot of paper and there still is. The City actually had computer systems even in the early years, and Nilda's skill and experience developed along with all the various system changes both at the City and at the Port. Today's FAMIS accounting system was first implemented in 1978. Paper documents were

prepared in batch for the City Controller's office staff to enter into a mainframe computer system. In 1995 the FAMIS system was upgraded from a batch processing mode to an online processing mode, and the City eventually distributed all input responsibility to the departments.

In 1982 the Port had it's own internal data processing system based on a minicomputer system called Microdata. Subsequently in 1994 the Port moved off Microdata into Oracle Financials for the public sector, which we still use today. Over the years Nilda has been through quite a few system changes and upgrades, as well as moving from a dumb terminal interacting with a mainframe to today's more advanced desktop computing environment. During Nilda's time, the accounting processes and functions have changed immensely. She's played a significant role in helping the Port arrive at where it is today.

He thanked Nilda and he will miss their tutelage on the details of FAMIS and on the inner workings of the Port's work-order management systems. He will miss their 101 sessions; they just had one the other day.

Nilda started at the Port in April 1989. 1989 was the year of Loma Prieta. Nilda worked with Port Engineering and supervised the cost and reimbursement accounting process for all of the Port's disaster repairs. The earthquake incident remained open on FEMA and OES books until July 2000. That was 11 years of tracking details. Through a lot of hard work by everyone involved, the Port was reimbursed for $27.8 million of earthquake repair and certain mitigation work.

Through the years, Nilda's work has continued to center around the accounting requirements for many of the capital projects, major facility maintenance projects, and many projects funded by grants. There were probably several hundred projects during her years. A temporary ferry landing was built at Pier 1/2 after Loma Prieta, but many years later and with multiple grants spanning several funding cycles, the downtown ferry terminal project was completed for about $20 million. Gates B and E and the Promenade were opened in 2002. More recently, the Illinois Street Bridge, together with its north and south approaches was a $27 million project that was completed. Both the downtown ferry terminal and Illinois Street Bridge had many, many funding sources, and there are many attendant requirements and restrictions to monitor. Nilda was at the center of most of those accounting activities.

With the Port capital projects there were many physical and fiscal challenges, but there were also a lot of blood, sweat, and tears in the back office balancing the books and wrestling with a barrage of deadlines, and a multitude of accounting compliance, and all these reporting requirements. He gave Nilda a final big thank you for all the hard work through these years. We appreciate your persistence, consistency, and integrity, especially in pursuing that which is right. As Monique described

Nilda checked every last detail, every last dollar. Enjoy your well-deserved retirement.

Tom Meisenbach, on behalf of Port Maintenance, he thanked her for all her hard work and dedication over the years. For him, he appreciates the fact that she kept him out of trouble with that guy. He appreciated all the hard work and dedication, and her being there to help him and maintenance out with all the work orders of the capital projects and the receipts and for everything.

George Onyemem indicated that he worked with Nilda for a very, very long time. He congratulated her and thanked her for her help and for sharing her expertise with us. Nilda is one of those people you don't see much around the floor at Pier 1 because she's holed up in her cubicle, always working on projects and grants and accounting codes all the time. We have appreciated that very much. She has become a resource to all of us. Every time we needed information about the correct accounting code to apply, Nilda was the person we would go to at all times. We also need to talk to Nilda if you want to know where the money is. If you have to spend, you want to talk to her because she knows where it is, and she would know if you can spend it or not. She's always working and rarely goes out on coffee breaks. Most of the time she's in there just working away. That prompted one of our coworkers, Daley, to ask John the other day, "What's up with Nilda?" John asked Daley why he was asking and Daley said, "She's been smiling so much for the past two weeks." John said, "She's getting ready to retire, that's probably why."

He thinks all those smiles is an indication that Nilda will enjoy her retirement very well. He congratulated Nilda and added that she's now earned a very long coffee break. He asked her to come back some time and visit us when she has the time.

John Mundy, Port Engineering, indicated that it's rare that he actually get up to talk about folks when they retire, but Nilda is special. If you work in engineering, you have to push a lot of money. We push a lot of grants; we push a lot of capital project funds working with FAMIS. Folks can attest that FAMIS is a lot like the Rosetta Stone. It requires translation into three different languages, and there are very few people at the Port that can extract data and sort of point you in the right direction like Nilda could. He spoke from the bottom of his heart that he would not have been able to do a lot of the work that he did with grants and the like if she weren't there holding his hand and showing him what to do so that he didn't screw things up totally. He is going to miss Nilda. He doesn't know how we're going to get somebody to replace her. She was that good.

Joe Roger, structural engineer for the Port, indicated that on behalf of the Port engineering department, he congratulated Nilda on your hard-earned retirement. He's had the opportunity to work with Nilda for the better part

of this decade and the prior decade. In her position in the accounting department she has made significant contributions to the execution of numerous Port projects, including both engineering and construction. We will Nilda and we wish her a wonderful retirement.

Nelson Alvarado indicated that he's been working since 1982. He's glad he met Nilda when she arrived because she was very educational. He was involved with the construction and professional service contracts so we had something to work closely on. Nilda took the time. He always called on Nilda. The solved a lot of problems. We cannot do anything without Nilda. Even when she was on vacation, we had to wait until she came back from vacation. He likes Nilda very much. She's a human being. He never saw her mad or get angry. Even if we came over her desk with a bad attitude, she was always nice and smiling and explained what to do or what had to be done, especially with the transaction code numbers that drove us crazy some times. He thanked Nilda for her help. He was glad he worked with her.

Nilda Casipit indicated that she's not prepared for this occasion. How time flies when you're having fun! Thirty-five years. She enjoyed the job, being in accounting, various finance duties and responsibilities. She enjoyed the most part, 20 plus years with the Port of San Francisco. It was a great chance for her. She gave thanks for the opportunity to be of service to the Port of San Francisco. She was glad to hear and thankful for the very good words from her supervisor, Tom Meisenbach, John Mundy, Nelson Alvarado, Joe Roger and everybody. It is sad for her to leave the Port but she will probably be coming back around Christmas time.

8. CONSENT

A. Request authorization to advertise for Competitive Bids for Contract No. 2736, Marine Structural Project II, for repairs of the Hyde Street Harbor Fuel Dock Substructure and the Ferry Building North Public Plaza. (Resolution No. 09-73)

ACTION: Commissioner Lazarus moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; items on the consent calendar were approved. Resolution No. 09-73 was adopted.

B. Request approval of Port projects to be funded in the second sale of 2008 Clean and Safe Neighborhood Parks General Obligation Bond. (Resolution No. 09-76)

Commissioner Lazarus offered a technical amendment to the resolution. The third whereas clause should read, "The ordinance authorizing the sale of these bonds requires the Port Commission to approve which parks are to be included in each bond sale; and".

ACTION: Commissioner Lazarus moved approval as amended; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; items on the consent calendar were approved. Resolution No. 09-76 was adopted.

9. MARITIME

A. Request approval of First Amendment to Lease No. L-14282 with the San Francisco Bar Pilots Benevolent and Protective Association for a one-year rent deferral of the new rental amount and a two-year lease extension for space located at Pier 9. (Resolution No. 09-74)

Peter Dailey, Deputy Director of Maritime, indicated that this is the last meeting of the year. It's a hard act to follow, those two fine people retiring after all these years. They are really the unsung heroes around here. In any event, this item is regarding a lease that was approved last year. The bar pilots have been operated at the Port of San Francisco since 1850 but have been headquartered at Pier 9 since 1989, when the Port and the Bar Pilots executed a 20-year lease that was set to expire in about three weeks. The tenants are a tenant in good standing with the Port, based upon Port policy. In 2008, the Port Commission approved a new 15-year lease with the Bar Pilots for their headquarters at Pier 9, as well as a lease settlement agreement for repairs at the apron of Pier 9 and substructure.

The new lease is scheduled to commence on January 1, 2010, with a term of 15 years, expiring on December 31, 2024. A few months ago, the Bar Pilots came to the Port. Since that lease was signed, they have experienced significant economic impacts due to the worldwide economic downturn. The Bar Pilots have seen ship traffic decrease significantly. In 2006 pilots guided close to 10,000 ships in San Francisco and San Pablo bays. This year they estimate to handle slightly more than 8,000. They estimate that the revenue is down more than 12 percent while their expenses are up 36 percent. They came to the Port and requested a one-year deferral on their rent increase, from where it is now, approximately $30,000, to the $97,000 that it would be going to as of the original lease on July 1, 2010. So they've asked for a one-year deferral of that increase.

Port staff met with the Bar Pilots to discuss their financial situation and negotiated an agreement with them that we bring to you today, the first amendment of this lease. We recommend that we do allow them to defer their rent schedule by one year. However, for this one year delay in this rent schedule, we have negotiated with the Bar Pilots an additional two years of lease term on the backend of the original term. So instead of the lease expiring in 2024, it will expire in 2026. This additional lease term, which will be at the end of their lease at the highest possible market condition will bring to the Port an additional $1.86 million in additional revenue. All other lease terms and conditions remain the same.

Port staff recommend that the deferral be granted, that the lease term be extended two years. The Port gains another two years and close to $2 million in revenue, and the Bar Pilots receive a 12-month respite from the higher rents that the original lease called for.

Commissioner Hardeman commented about the length of service by our retirees. It makes you really proud to be in a Commission that we have this longevity with employees. There's probably going to be somebody in this room 22 years from now that's going to appreciate the $1.86 million.

Peter Dailey thanked Susan Reynolds and Jeffrey Bauer for their assistance on this lease.

ACTION: Commissioner Lazarus moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor. Resolution No. 09-74 was adopted.

B. Informational Presentation on Proposed Water Taxi Service at the Port of San Francisco.

Peter Dailey, Deputy Director of Maritime, indicated that water taxis are an operation that people have been talking about on the waterfront for some time. Earlier this year, he and Commissioner Hardeman were on a trip to the Port of Melbourne for a sister port event. They went to Sydney Harbor and experienced first hand how a world-class water taxi and water transportation system looks and works like.

Earlier this year, Port staff organized a meeting of people interested in the concept of a water taxi service on San Francisco's waterfront. We had an excellent turnout at this meeting earlier in the year. We had representatives from the Water Emergency Transportation Authority; National Parks Service; Golden Gate Ferry; Red and White Fleet; the Mayor's Office of Economic and Workforce Development and Fort Mason. Simon Snellgrove from Waterfront Partners was also there. We had an excellent discussion about the concept and feasibility of a water taxi service in San Francisco Bay.

As a result of that meeting and discussion, Port staff looked at the issue a little bit more carefully and determined that we really need to do a quick feasibility study to analyze market demand and seasonal flows, identify possible locations for a water taxi service in the Bay if it was to take place, determine what type of vessels would be required, and what kind of operator would be driving those vessels. In addition, we wanted to take some more views of other successful water taxi operations in other cities. We looked around and were lucky to hire a consulting team, Veronica Sanchez, a former Port and WETA employee, and Charlie Walther of Walther Engineering Services, a C.M.A. graduate. They've done an excellent job. The PowerPoint or the executive summary is part of the presentation package. We are going to put the entire executive summary on the Port's Web site for any interested

party to delve into the different layers of it. We also presented these findings to the initial water taxi advisory working group as well as to the maritime advisory committee.

Veronica Sanchez indicated that the scope of their work was very narrow. We were tasked with looking at ridership demand for water taxi service. We wanted to find out if anybody would ride these boats if they came. We also looked at other cities' water taxi systems to see what we could learn of best practices, and we looked at capital and operating requirements for the Port of San Francisco to start this service. We did not look at operating costs such as labor and fuel costs. Our scope was very limited from that perspective. Starting with ridership demand -- the first market niche that we identified was the overcapacity problems from the F Line. The waiting times for the F Line tend to be at peak season longer than the actual travel time to Fisherman's Wharf, about 15 minutes of travel time. Some people, when we did onsite measuring, were waiting 15 minutes on the platform. So that, combined with the passenger experience of it being very crowded certainly is discouraging of passengers. Potentially that could be a source of passengers for the new water taxi service.

We also identified as a second niche repeat passengers looking for a different shoreline experience. About 17.6 percent of the visitors to San Francisco, according to the Convention Bureau, are repeat passengers, mostly from the Bay area markets and from California. They've done an excursion boat ride the first time and are looking for a different type of experience. Therefore you are seeing, certainly, a lot of competition from Segways, Blazing Saddles, the Quacker excursion boats and different types of products.

The third market niche that we identified is certainly new destinations and venues that are opening, are scheduled to open up on the waterfront, like the Exploratorium opening in 2014. The Exploratorium we see very much like the Field Museum in Chicago, where there is a water taxi service from the Field Museum directly to Navy Pier.

Finally, the waterfront is a venue of major special events. Events like the fireworks or other events at the ballpark, for example, could be magnets for drawing ridership.

Our conclusions in terms of demand are that while there is a demand from the overcapacity problem of the F Line, the F Line is a formidable competition. Unlike other cities where the water taxis are competing with public transit services that are not direct and not as easy to take for the passenger. In San Francisco we do have a service that works very efficiently to transport passengers along the waterfront.

The Muni fare is $2.00 per passenger. They have to have a high frequency, otherwise the passenger would be discouraged from waiting longer than 15 to 20 minutes. The water taxi ridership is going to fluctuate with the seasons and

with the daily peak periods. We see the fluctuations in the Muni ridership already.

In conclusion, we feel that while there are ridership niches, the demand is speculative. Because it is speculative, we don't think it would justify a substantial investment of capital resources. We only looked at capital; we didn't even address the operating cost. So it is risky, and there are some issues that need to be addressed.

Turning to the other water taxi systems, we looked at New York. We thought that "New York Water Taxi," by the nature of the name, was an on-call service. There have been stakeholders in the group that have advocated for a type of water taxi service that you can call to take you places. We did not look at that type of service per se. We looked at regularly scheduled service. New York Water Taxi is not an on-call service, despite its very effective branding. It is a company that is comprised of commuter services and excursion products and has a cross-pollenization of all these products. One of their success stories is the strong partnership they actually have with their shoreline real-estate business and the attractions. They offer free services from Ikea in Manhattan to Brooklyn. That was part of the partnership.

The hop-on/hop-off service is the best example in New York of what would be a water taxi service between major destinations in New York. It's a day pass. It's $20. What we found from doing some site visits there is that passengers are riding it to take their pictures of the New York shoreline, and they're using it as an excursion-boat operation, as opposed to taking some of the traditional excursions in the New York harbor.

Chicago has two companies. There is a picture of the Field Museum here in the background and the boat going to Navy Pier, as mentioned earlier. What's important about this service is that they have a combination of the commuter and the excursion operations and the charter operations. That's how they subsidize each other. There are cross-subsidies between the operations. They offer different types of multiple products.

Long Beach started its water taxi service when the Long Beach Aquarium was put into place. It was an initiative of the city's economic development agency. What's important to note about this service is that it is actually operated by Long Beach Transit. So it would be similar to Muni operating the water transit service here along the waterfront. They actually subsidize the service at $360,000 annually. So now you have an example of public subsidies into a water taxi service. In addition, they've been successful in getting capital money, federal money, for the vessels.

San Diego is the best example we've found of an on-call taxi service, certainly on the West Coast. It costs $7.00 one way, it's not a bad fare, but where they're making more of their money is certainly from the monthly fee arrangement with hotels like the Hyatt and SeaWorld.

We gave you an example of the range of fares because the price point of the fare will either make it or break it in attracting customers to this service. As you can see, the range is from $1.00 to $13.00. The Long Beach fare is incredibly cheap, starting at $1.00, but it is subsidized. We also gave you information on the excursion cruises, particularly the ones here in San Francisco Bay, because we wanted to reinforce the point about the competition that a water taxi may provide to excursion operators. This certainly was a point raised by the excursion operators in our interviews, who, of course, are the Port's tenants.

Veronica introduced Charlie Walther who worked with WETA in helping to design and bring the WETA boats online. He's built many boats, and he's very knowledgeable.

Charlie Walther indicated that we looked at a number of vessels, probably 40 or 50 different vessels from different ship builders and boat builders, and narrowed it down to New York Water Taxi being the financial examples that we used. The smaller of their boats is 74 passengers, 24 knots. Then the Long Beach boat, the Aquabus have two boats. The smaller one is the Aquabus at 49 passengers, 15 knots. The price is somewhere $295,000.

We didn't focus on exactly how much the boats would cost, just to get a general idea. We looked at various facilities from basically south of the ballpark to Fort Mason and made a time schedule on how far it was point to point and how long it would take to get there. That's important when we're looking at the boat's speed.

The Chicago boat is a 40-passenger, 14-knot boat roughly $275,000. Maui Ocean Explorer is a 49-passenger, 26-knot boat. Water jets are fast boats and they're for Hawaii as it would need some screening, etc. to keep people warm in the Fog City.

Existing vessels in the Bay: Fisherman's Wharf has a lot of sport fishing boats that are Coast Guard certified for 49 passengers. They're not ADA accessible but they could be retrofitted to do that. They need interior improvements and some covering is needed for warmth for the passengers. The Port of San Francisco docks would also need some ramps to handle the freeboard difference, small ramps. WestStar Marine Crewboat is kind of the same thing in regards to the ramp, and it would give the passengers an industrial experience. They're noisy but they are here now.

This is another example of a boat from Sydney. It's a rigid inflatable boat. There's a company in Petaluma that makes these similar boats. This one is too small for the sea conditions in the Bay, but you could start from that platform and move up.

The operator's basic requirements, who's going to run these boats? It has to be somebody with sound financial background and experience and who has enough money to handle days like today. It's cold out there and not many riders. Strong marketing, strong operational experience. It would need a fuel dock, a maintenance facility and trained Coast-Guard certified crews. The other issue is, would it be a year-round or seasonal service? Today is a good example. We feel it would definitely be a seasonal service.

Landside requirements: We looked at 13 sites from the South Beach area all the way around to Ford Mason. Six of those sites are suitable to start service in 2010-2012 without much infrastructure required. Mostly small ramps and that sort of thing.

Starting from the South Beach area, Pier 40 is owned by the Port and leased to the redevelopment agency. The docking portion of it and the waters is suitable for water taxi service but would require some negotiation with the agencies and the tenants. At the Ferry Building area, Pier 1½ guest dock was built by Waterfront Partners. It was built for a water taxi service, basically, and also for private boats to come it. It would need a small ramp but not much. Lighting is good. It's attractive; it's near where people want to be. The Ferry Building and so forth, end of Market Street, Pier 39 area is, as you know, a very big tourist attraction.

Pier 39 South. We talked to Blue and Gold about potentially using these spaces, and they were amenable to taking a look at it. Pier 39 South is near the pier. It would need some ramping also, small stuff. Pier 41, the site of existing docks, is capable for bigger boats. It would be a bit of a problem to bring smaller boats in there often because it's a very crowded terminal. Pier 43½ and Hyde Street is sort of the same thing. It's on the other end of Fisherman's Wharf area. Pier 43½ -- we talked to Red and White, and they too were amenable to taking a look at it, but there are some current issues underneath that bridge that might present some problems -- also some traffic areas.

We looked at Hyde Street Harbor. The Port owns Hyde Street Harbor. It's relatively new. You can see the open spot between the boats. There's a police department with some police boats down there currently, so security is good. It takes a little longer to get in there because you have to go out around Pier 43½. Also, it's not right on the waterfront. There'd have to be some signage to get people off the waterfront down to the pier but it could be put into service in short order.

Fort Mason in the future could be a good facility, but it will need a float system and ramping similar to what we have out here, and that's very expensive, in the neighborhood of starting at $1 million.

Pier 15 Exploratorium - As part of their Environmental Impact Statement and their permit process, a water taxi dock is required and is planned so that

when the facility is up and running there will be water taxi service there. One suggestion that came up is that a good match for this one is for Pier 15 and Pier 30-32 down there could be parking, so the water taxi would run between the parking lot and the Exploratorium. But that's in the future, five years or so.

Future sites - Seawall at Pier 48. Part of their permit process is to put in a water taxi dock. We looked at the ballpark for ballpark games, but that is congested. It has some issues with security, MARSEC security. The 49-passenger boats would not be allowed in there because of the security plan. That's why we went to Pier 40 to cover the ball park.

Peter Dailey indicated that they've done a great job of analysis of the various locations and the different types of vessels available. We mentioned it's a feasibility study. It's a jumping off point for the Port staff to do some more work and some more analysis. We want to put together some more financial analyses of a business model internally just to make sure that we're not wasting time. That pencils out primarily that it looks like it could make some money for a prospective operator.

We would need to solidify some berthing agreements with some of our tenants that have the space on Port property that we do not control. As Charlie mentioned, many of our tenants have been amenable to discussing with us this possibility. We'd have to talk to the redevelopment agency at South Beach to see if they'd be amenable to opening up the Pier 40 or the South Beach Marina for this type of service. Our planning staff would have to look at the environmental implications of what kind of analysis would have to take place as a result of the service, and we'd have to draft, or will draft, a landing rights agreement for water taxi service on the Bay. The Port has a tariff, which is published, and we would make any necessary changes to our Port fees to capture any revenue that the Port could from this type of an operation.

It's clear it's a challenging operation. It's feasible. There's a lot of interest in it. We've had some operators come and kick the tires of water taxis in the Bay. There is some real interest in people. The good news is that most of the landside improvements have already been made. The capital needs on the landside are relatively minimal from current facilities. That's a big leg up; that's a real advantage for us. The downside is that the boats are not cheap, and there aren't a lot of them out there that can handle this type of an operation. While somebody could build new ones, you're still talking close to half a million dollars for a boat, and Charlie mentioned you need five or six of them for 15-minute intervals.

What we would like to do as a next step is to continue analysis and look at some of these questions that we've raised, then contemplate by spring 2010 to issue a Request for Qualifications to the commercial market. See who is out there, what operations might be interested in operating this type of service. The Port would not be an operator. We would be a facilitator, and we

would work with our various tenants who are interested in participating in this service. It would really be like the Ikea operation Veronica mentioned in New York Harbor. That's a great example of a water taxi operation that provides an economic benefit to a commercial tenant of the city. Different districts of the waterfront would have to look at this as a way to get people to look at their attractions, to spend money and to enjoy the amenities. We have a lot more work to do. We've made a big first step. We would like to come back to the Port Commission and put an RFQ out this spring.

Peter Dailey thanked the members of the water taxi working group that came to our meetings. Simon Snellgrove has been tremendous. He's been a real passionate proponent of water taxis. Commissioner Lazarus for attending our meetings as well. Taylor Stafford from Blue and Gold and Tom Escher from Red and White and others.

It's exciting news. We have a lot more work to do. We're going to come back to the Commission in the next few months and ultimately put an RFQ out and see what we can hook.

Commissioner Brandon asked for a brief overview of the 13 sites that were reviewed and how the six suitable sites were chosen.

Veronica Sanchez replied that when we looked at the 13 sites, we had different sets of criteria. One of them was accessibility both by water and land. Did you need to dredge, for example? Are there navigational conflicts because of other boats, like in the ballpark situation? Also landside access by the customers. Would the service be visible for the pedestrians? Cost was a big issue, because early on we identified that this was high-risk in terms of the demand. We wanted to keep the price tag down in terms of the infrastructure. So how much improvements did we have to make? Was there ADA accessibility? Is the facility ready? That was a big issue because we were trying to go for that 2010-2012 window.

Commissioner Brandon asked if those sites were along the waterfront.

Veronica Sanchez replied that the 13 sites start from the South Beach area, Pier 38, Pier 40 and the ballpark and Pier 48 as a future site. Pier 48 did not make the short-term window scenario.

Continuing down, we did not identify any that was ready to go short-term in the central waterfront area until we got to Pier 1½, where the guest dock was. We looked at Pier 14, obviously, because that was already in the development project of the Exploratorium. We went to Pier 39 South and Pier 41, the existing slips for the ferry service. Pier 43½, looking at a central wharf location, which was requested. To look both at a Pier 39 area because of the major tourism destinations and central wharf area, we looked at Pier 43½ as an option and also Hyde Street Harbor. Then going on to GGNRA, Fort Mason was the only site we looked at off of Port property.

Commissioner Brandon asked if we have given any consideration to Mission Bay or Candlestick Point, or anything south of China Basin other than 48.

Peter Dailey indicated that the airport has been a site over the years that has been looked at for a water taxi service and will continue to be looked at. As Veronica mentioned, we really narrowed on the scope of this feasibility study. Existing sites that were already built out, that didn't require a lot of capital expenditure because that would just economically put it over the top feasibility-wise. The focus was on areas that had high visitor traffic right now, but clearly an expansion site would be Mission Bay, Candlestick Park, and the airport as the service could be developed.

Commissioner Brandon indicated that this is basically a service for tourists, not necessarily for residents or commuters.

Peter Dailey replied that he takes the F Line when he goes up to the Wharf instead of driving, so he thinks it's for both. It's like the cable car. As often as he goes up to the Fairmont, he takes the cable car. The cable car might be a good analogy. Tourists would love it. It's like the F Line. People love it, but when you have to get some place it's a great way to get there.

Commissioner Shakofsky asked when we looked at the study, were we focused on tourism, or did we bring in the people mover? Just people trying to get from Mission Bay to the Ferry Building to the BART Station?

Peter Dailey replied that the visitor industry is already an industry; 18 million come to San Francisco a year. 13 million of which come to the Port. So we focused on the gravy first, where we think there is the built-in demand, which is the visitor industry. However, the advantage to this type of service is that it does have a practical purpose. A resident will take a bay tour when they want to show the bay to visitors from out of town, but if they want to get from point A to point B, they're not going to take a bay cruise. They would take a water taxi operation if it were viable and economical for them. Charlie pointed out the 15-minute intervals. It has to be relatively regular and run on a regular basis, otherwise it doesn't make sense for residents.

Commissioner Shakofsky asked about the number of passengers they looked at, the people coming from the F Line to Fisherman's Wharf. She assumes those were people coming off of BART and then moving to Muni to get to Fisherman's Wharf.

Veronica Sanchez replied that Muni's ridership study captured data for riders. They get off at the downtown area, in front of Nordstrom's. That's one of their peak load centers because of the hotel. By the time they get to the Ferry Building, they're fully loaded so it's not just BART. It measured it all the way. The study that she looked at was April and May of last year, where they looked at data for two months.

Commissioner Shakofsky asked if that was the transit efficiency study that MTA contracted for where they looked at citywide but they looked at individual routes.

Veronica Sanchez replied that it was part of that process.

Commissioner Shakofsky asked if a representative in the water taxi business was on the advisory committee.

Peter Dailey replied that there were representatives from the Bay Quackers and Ride the Ducks. At a subsequent meeting, there was a representative working with Simon Snellgrove on a possible water taxi service. They participated in the meeting and gave some basic ideas and input. We anticipate talking to them more as we go forward.

Commissioner Shakofsky indicated that the ultimate question is, before we go through the expense and resources of time and energy to put an RFP out, do we believe there's some interest in a private-sector partner that would operate this service? She's a big fan of water taxis. She used to live on the Sacramento River and took the water taxi from the "Jammin' Salmon" to the "Virgin Sturgeon" every weekend. They're lots of fun, and they're great, but they do cost a lot of money. There has to be a private-public partnership here.

Mr. Dailey replied that the Port has received some unsolicited general proposals for a water taxi service. That's one of the reasons that we kicked off this feasibility study, to try to get a little bit more information. We've received one or two unsolicited proposals. Some of our tenants have received or have some people interested in partnering, possibly, going forward. At this point we've done enough work on it that we have a general idea it might be feasible, but the commercial market will dictate it. The Port is not going to operate it. We'll facilitate with our partners on the waterfront. He's optimistic it can work. It wouldn't have to just be linear along San Francisco's waterfront. Eventually, if it were successful, you could have a water taxi, where you'd call a water taxi. "Take me over to Sausalito to Sam's for brunch and back." There's all kinds of different ways this could go, if it could be commercially viable.

Ms. Moyer added that Peter stated that we would like to issue a Request for Interest (RFI), as opposed to an RFQ or an RFP. In her vision, that would include some of the other tourism lines that run bus services as well as the MTA and MTC. There's a broad universe from which to solicit ideas. We're significantly far away from making any recommendation on whether this is yet viable, but it seems like this is a good time to investigate.

Commissioner Hardeman commented that he's very happy we did the study.

Captain Ray Shipway, California representative of the United Inland Group of Masters, Mates and Pilots, indicated that he represents the boat operators, the fellows that drive the boats, and deckhands, and so forth. Between him and his sister union, the Inland Boatman's Union, they have a pool of qualified individuals who are interested in water taxi and water taxi work. If the Port is going to put out an RFI, he hopes that the Port would ensure that there is some type of prevailing wage protection for the workers that work on those jobs. In this economy, any kind of job that comes along is going to be a good job, but we want some really exemplary jobs, something that has a standard wage and has health and welfare benefits to go along. Of course, our unions can provide those qualified laborers. Our workers are present all over San Francisco Bay. Some of our conditions on San Francisco Bay are a little tougher than others, and the ability to get from one place to the next on San Francisco waterfront can be challenging. We have some people that are really adept at that, have been on this Bay for a long time, and that labor, whether it be operating the vessel or assisting passengers on and off of those vessels, is available to you. He hopes that the Port would include some type of prevailing wage or area-standard wage in those RFIs.

Josh Pryor, small passenger vessel operator and owns a boat called Ruby, indicated that he designed and built the boat and have been operating on the waterfront since 1981. In the evenings he drives taxi cabs. He's been doing that for 30 years. He's always had the dream of putting the two jobs together and making a water taxi service. He knows the waterfront intimately. It can be done. He voiced his approval of the water taxi and hopes that it goes forward. He's convinced that given a dock space, perhaps Pier 1½, as a centralized taxi stand that he would be willing to acquire and operate a vessel at his own expense and set a standard fee comparable to taxi cabs and go to work right away. He's willing to work with anybody who would like to ask him questions or anything concerning the viability of it.

Ernestine Weiss indicated that this is a go. She's been saying this for a long time. Why doesn't this beautiful port have a taxi service? It would be very effective, and it can be done if you do the proper marketing to the people. Put out feelers. See who would be willing to take this on. The F Line which she rides practically every other day, is so crowded, it is almost dangerous. The fact of the matter is many people stand there and are passed up because they don't have the capacity to carry so many people, because it is so popular. Therefore, the water taxis could take up the slack there. The airport needs it, the Giants need it. There's so much going on here, and will be going on with the Exploratorium and other places down the road. The Port should go for it. Anything but cars. We have to decongest this area, not encourage cars.

Tom Radulovich indicated that he's not here today speaking as a BART director. Although the intermodal connectivity question is interesting. He's speaking as the executive director of Livable City, and as a member of the Port's Embarcadero Task Force. He watched the presentation with some

interest because one of the questions that we've been grappling with on the Embarcadero Task Force is, "What's wrong with the F Line?" As a sort of a transit nerd, he looks at it and said, all right -- it's protected right of a way. It runs all the way from China Basin up to the waterfront. It should have a terrific amount of capacity on there. We should be able to carry 3, 4, 5 times the number of riders that are being carried today but it's not functioning the way that it should. One question that he has about this study is, is this just kind of compensatory for the fact that MTA is managing the F Line very, very badly, and it's not living up to its potential? How much of the ridership for such a water taxi service would still be there if people could really use the F Line? If it's a complementary service, he thinks it would be welcome. If it's a compensatory service, he thinks it's headed in the wrong direction because it's going to start competing for riders, for funding, for all kinds of resources with the project of fixing the F Line. Another little thing to think about is sustainability. Public transit, the F line -- one of its virtues is that it is electric, it runs on power. No emissions. Water taxis, of course, are diesel powered and have a lot more emissions. If you're carrying a lot more people on a diesel powered transport service, especially water based, which tends to be pretty inefficient, you're going to get a lot more emissions per capita. This is something to think about as the Port tries to grapple with sustainability. And he wanted to say amen to Ernestine's "Anything But Cars" comment. If this would be a nice complement and get people out of their cars, great but if it's just compensating for bad transit, well, let's see what the possibility is of fixing the transit before we go down this road.

10. PLANNING & DEVELOPMENT

A. Informational Presentation regarding the National Park Service's (NPS) interest in developing an NPS Visitor Center including an Alcatraz Embarkation facility on the San Francisco Waterfront.

Commissioner Ann Lazarus stated that she is associated with Fort Mason Center, which is a lessee of the National Park Service.

Jonathan Stern, manager of the Port's Waterfront Development Project group, reported on a process that's been underway between the Port and the National Park Service exploring the possibility of a permanent home on the northern waterfront. Since 1973, the Port of San Francisco has been the embarkation point, the point where the boats launch for visitors to the former federal prison at Alcatraz Island. Alcatraz is part of the Golden Gate National Recreation Area that is managed by the National Park Service, as are many other destinations around here, including Fort Mason, including Muir Woods. These are all National Park Service facilities; they are one of the reasons that the 13 or 18 million people come to the Bay area.

Alcatraz tours have been a very important attraction on the City's waterfront. There's currently 1.3 million people a year that get to visit the island. There would be many more, but the Parks Service have decided, wisely, to restrict

the number of visitors there in the interest of keeping everyone's experience to be a good visitor experience and to reduce environmental degradation on the island. It has been a very important attraction, and it's been an important use for some of our maritime tenants. It's proximity both to the Fisherman's Wharf and also the Port's cruise terminal has added to the attractiveness of the visitor experience, and specifically the cruise experience. It's something we can promote and make it more attractive as a port of call.

Currently, Alcatraz tours leave from Piers 31½, which is shown on the maps. Pier 31½ is one of locations. Before the current contract that had them leave from 31½ , they were operated by Blue and Gold Fleet, and it was operated out of Pier 41.

Late last year, the Park Service approaches the Port of San Francisco to discuss this concept of a permanent home on the waterfront. These discussions started with Brian O'Neill before his untimely passing. He was a good friend of the Port and a good friend of San Francisco and thought very wisely and broadly about how to bring these things together. Part of the concept is to not just have a permanent place where the National Park Service could launch the boats to go to Alcatraz, but to start the Alcatraz experience on this side of the Bay. Additionally, because of the many other parts to the GGNRA and other National Park destinations, if you're one of those many visitors who aren't the lucky 1.3 million visitors that get to go to Alcatraz, or don't have the time to go to Muir Woods of other destinations, it would be a Welcoming Center where you could get at least part of that experience on the waterside. That's the concept that we've been looking at. At the time, we agreed that this was a good idea to start to explore. We asked the Park Service to look at a broad range of locations, starting from the ferry building on the southern end all the way around to Pier 45 in the north of Port property. So what is the Park Service looking for? After refining their process a little bit, they're looking for a site that would allow them to create a unique visitor experience, to essentially start the park experience on this side of the Bay. They're looking for a place that has the ability to accommodate visitors arriving in all modes of transportation. They also need a spot for the boats themselves to launch to and from Alcatraz. We're talking about an estimated four excursion boats, about 500 passengers each.

On the land side, they're looking for 28,000 to 35,000 square feet of indoor and outdoor space. The uses of this space would both be for an interpretative and exhibit areas but also ancillary uses such as waiting areas, educational bookstores and retail, food and beverage services, and restrooms, a full-service park center or visitor center.

Essentially, this is a National Park Service initiative. They have launched their own process. They've engaged URS Corporation as a consultant to do a feasibility study. They've already looked at a number of sites both on and off Port property. They will evaluate those sites. Eventually that will feed into the environmental review process that the Park Service must undergo under

NEPA, the National Environmental Policy Act, and ultimately they will, after completing that environmental review, start getting to the business of selecting a site.

The sites that they're looking at are five sites on Port property that are still sites that they're analyzing after this preliminary screening. From the northern waterfront, starting from the south to the north, are: Piers 19½, 29½, 31½, 41, and Pier 45 Shed A. These are all facilities that sort of passed the initial screen of having enough indoor and outdoor space, having the right kind of depth of water to accommodate the four excursion boats, and generally are in the right locations, i.e., the northern waterfront, to accommodate the needs of having visitors come to them. They're essentially part of the core visitor area.

The National Park Service is also investigating a number of sites off Port property, specifically at Fort Mason. There might be some other sites north of Port property that are under consideration.

This is an informational item to apprise the Commission that we are embarking on this process with the Park Service.

Next steps - Port staff will keep the Port Commission updated, and seek their input regularly. This is a very important process. They're an important maritime tenant on Port property. We will also work with the Port Advisory Groups, including the Maritime Commerce Advisory Committee, the Northeast Waterfront Advisory Group, and the Fisherman's Wharf Waterfront Advisory Group. As this process moves forward and there are, essentially, results from the feasibility analysis, we'll look at the work the Park Service and the URS has done, and Port staff will also lay on its own analysis and will bring our analysis and recommendations back to the Port Commission.

Once this feasibility study is completed, and it is deemed to be a feasible project, though maybe not a feasible site concluded yet, the Park Service will embark on environmental review under NEPA. Once that process is done, very likely if a Port site is selected, we'll return to the Port Commission to seek some sort of negotiating agreement to reach a final lease and agreement on a Port property if the process ends up going that direction.

In summary, Port staff will continue to explore this idea of a visitor center and work with the Park Service staff. We just want to note that Alcatraz is a very important component to the Port's maritime portfolio, and Port staff's primary goal here is retaining the Alcatraz excursion business on Port property.

Jonathan Stern introduced the National Park Service representatives: Aaron Roth, business manager for GGNRA; Mike Savage, project lead manager and Ian Austin of the URS Corporation, their lead consultant.

Lou Giraudo, representing Boudin Bakery, commented on the process. We are encouraged that the Port is participating with the National Park Service in

seeking out a permanent location for the ferry service. He goes back to August of 2008 -- a letter written by Mr. O'Neil. He goes back to the original contract that's in place today where all the things that were spoken about two minutes ago, the desired qualities, the visitor's center and all the other things that were talked about, were all in the contract. They're supposed to be there today. They're not there today. If the NPS was the tenant, and it was a permanent location, visitors to San Francisco would have a far better Alcatraz experience than they're getting today. Many, many promises. Solar-powered boats, a visitor's center, a museum -- all of which is not there, is not going to be there, and he wishes that he had that contract because it's one hell of a way to make a lot of money without having to keep promises. Having invested a lot of money on the Port property, he knows that we welcome a better experience for people that are doing Alcatraz than that which they're getting today. So we support, very strongly, your energies and your efforts. Of course, we'd love to see you come closer to Fisherman's Wharf, where it originated, where it was, either at Pier 41 or Pier 45. He hopes that we can move this thing along. We intend to say the same thing at the Congressional hearings that are going to be held here in San Francisco at the end of January about this very project.

Marina Secchitano, Inland Boatmen Union, indicated that she's glad that the National Park Service has learned a lesson from the debacle of the last Alcatraz bid and is trying to select a landing site before it goes out to bid for another operator. The current contract the National Park Service has with Alcatraz Cruises, Hornblower, expires in 2015, so this planning process is timely. Right now, the National Park Service has a contract with Alcatraz Cruises. It was signed in May 2005. There is a review process based on the public notices that she gets from the planning department. The delays are not the Port's or the City's fault, as Hornblower makes it seem. The problem lies solely on Hornblower's lap because it underestimated the State's complicated environmental review process and ignored warnings from the Port officials and Supervisor Peskin that these improvements couldn't be made within the schedule of the National Park Service. Meanwhile, the National Park Service lets Alcatraz Cruises get away with these delays and keeps rewarding them with unprecedented increases in passenger ticket prices. Are these delays really part of a plan to allow the park service to take the Alcatraz ferry to Fort Mason? This would be devastating for our union work force. She urged this Commission to do everything it can to keep the Alcatraz ferry on Port property. Just like the Port has aggressively pursued shipping and the cruise business, she asked that the Commission fight to keep the Alcatraz ferry service here. Please don't sit idly by. The threat is real. On behalf of the IBU, the ILWU, Master Mates and Pilots, we pledge our support and hope that you will act now to communicate the importance of keeping the Alcatraz ferry on Port property to the elected officials in Washington, D.C.

John Kaltenstein, Friends of the Earth, a national environmental advocacy group, indicated that we've been working on shipping issues for a number of years now. We actually supported the initial bid by Hornblower with regard to

the hybrid ferry. With regard to emission reductions, it was not all that it was anticipated to be. It's quite an understatement. While there have been emission reductions with respect to at berth and auxiliary power operations, the real driving force of the operation was to push the envelope, to really get emission reductions through all phases of the operation, including propulsion. Going forward, we ask that if a second ferry is to be built, that those standards with respect to emission reductions cover all phases. We think we can get to really a carbon-neutral or carbon-free operation within these boats. There is technology that is currently available. A lot is being done in Asia with regard to these ferries, and cutting emissions and greenhouse gases from ferry operations. It's integral that we focus on this part. It can be done, and we're very supportive of that measure. We ask that you also support this measure, and we ask that the National Park Service also, in their dealings with Hornblower, go forward and really press the issue on this important facet.

Commissioner Brandon reiterated the fact that it's extremely important that we keep this service on Port property. We've had it for so long. It would be devastating to the Port and to our tenants if it were to move from Port property. Is there a timeline for this process?

Mike Savage, lead for strategic planning and partnerships with the park and the lead for the Alcatraz education and embarkation site project. The timeline: we start our NEPA process, our environmental process, sometime in May or June of this year, once we complete the feasibility study. We're looking at about a two-year period from then. So it's a ways off, but we're really engaged right now in the middle of the feasibility study.
To clarify, under NEPA, you look at a full range of alternatives. We're looking at the whole San Francisco waterfront. We've had discussions with the ports about various sites, but really take into account other sites as well. Underneath NEPA, we're required by law to look at a full range of all alternatives in our analysis, and then narrow those down to acceptable alternatives. Public scoping, we anticipate to be in June of this year at some point.

Commissioner Brandon asked if they're looking at other sites besides Fort Mason.

Mike Savage replied that it's premature. It's really going to be based on the feasibility study and what comes out of that. We're in the middle of that. He understands the Port's need and requirement to express any discussions they're having with the Port Commission and the public. In terms of the broad waterfront, it's better for us to wait until the feasibility study is completed and then come back and say, "Here are the range of sites that really meet the feasibility requirements."

Commissioner Brandon asked how often staff will update the Commission.

Jonathan Stern replied that before we start the scoping, it might be premature to do it quarterly, but certainly at every major milestone we'll come to the commission.

Commissioner Brandon indicated that this is a very important issue, and they would like to be kept abreast of what's going on.

Commissioner Hardeman indicated that this process originally started out that the Port was just sort of blind-sided. It's nice to see that this time, we're part of the process in working with the National Park Service to look at what are the benefits to the people of San Francisco, the State of California and the environment. Mr. Giraudo mentioned a couple of the items that were key in awarding Hornblower the contract that just haven't been met. We're going to listen to Mr. Giraudo, who has pulled off probably the smoothest operation in getting his Boudin bakery and restaurant by diligently meeting with tenants, community, Port staff, and environmental groups. He's a person who really knows how to get things done and do them properly. He listens to his comments because he is a proven success story.

As far as the initial loss of jobs for many of the maritime union workers, that situation was not foreseen by the Commissioners. Now to find out that there might be a serious move off Port property, with all the economic benefits to the City, with all the transportation to locations that are easy to get to by public transportation, all the services that are located on Port property, he encouraged the National Park Service to take that into consideration when they're working with our staff.

He hopes we can have better communications in the ongoing months than we've had in the past. He's encouraged, but our Commission should let the Congressional delegation know that we strongly encourage maintaining the Alcatraz landing on Port property. He would like to see a letter drafted by the next Commission meeting, if there's no objection by any other Commissioner.

Monique Moyer asked for clarification if the Commission would like staff to draft a letter and ask the Vice Chair to sign it or do they want the letter to come to the Commission for approval before it's sent.

Commissioner Hardeman replied that formal approval by the Commission isn't necessary. The Director signing the letter would be fine.

Augustine Ramirez, ILWU lead organizer, Northern California, indicated that we're talking about Hornblower. There were approximately 50 union workers that lost their jobs when the contract was awarded to Hornblower back in September 2006. The marine division of the ILWU, the IBU, has been working with the new employees of Alcatraz Cruises to try to secure a card-check neutrality procedure so that employees can make a decision about whether or not they want to be represented by a union, free of harassment, intimidation, coercion, and/or firings. A proposed neutrality procedure was hand-delivered,

and he handed the Commission a copy and on Friday, July 3rd, to the office of Hornblower, by a delegation led by Assembly Member Fiona Ma, San Francisco President of the Board of Supervisors David Chiu, Commissioner Hardeman, and Labor Council Executive Director Tim Paulson. The IBU is not alone in this endeavor. During the months of August and September, the entire San Francisco Board of Supervisors sent letters to Mr. McRae encouraging him to agree to a card-check neutrality procedure. During the three-week period commencing the week of October 19th and ending November 2nd, 14 California legislators sent letters to Mr. McRae asking him and encouraging him to a card-check neutrality procedure. On top of that, Raul Grijalva, the Chair of the Subcommittee on National Parks and Public Lands, sent a letter to Mr. McRae. From July to the present, a grand total of 19 legislators have expressed their support for a card-check neutrality procedure. On top of the 11 supervisors and two congressmen, that's a total of 32 elected officials. Instead of sitting down and hammering out that neutrality procedure, Mr. McRae responded by firing the main leader of the IBU organizing drive. We in the ILWU believe under false pretence. They fired him on November 13, after a two-week suspension. At this point, we are keeping all our options open. We are considering all legal avenues. We will be letting all our supporters in the legislature know what's going on here. We believe that you should really take a look at Hornblower, and we'll be keeping you up to date on what's going on.

B. Informational Presentation regarding interim development concepts for the Ferry Plaza and Ferry Building area.

Dan Hodapp, Port's Planning and Development Division, provided the Commission information about plans to improve the pedestrian and circulation spaces around the Ferry Building and, in particular, the plaza area on the water side of the Ferry Building known as Ferry Plaza. Should questions arise regarding financial issues, Jonathan Stern of the Port will address that issue and Boris Dramov can address design issues.

Port staff, working with Equity Office Partners, and in consultation with Bay Conservation and Development Commission staff, has developed a plan to improve the quality of the pedestrian spaces in the Ferry Plaza area, define the necessary vehicle circulation areas, provide facilities for bicycles, and provide temporary parking to finance many of these improvements.

The Port has made significant improvements to public access and circulation in the Ferry Building area when the Ferry Building was renovated and the first phase of the Downtown Ferry Terminal was constructed. Both projects were completed by 2002. The Ferry Building now has public access on all four sides of the Ferry Building, and the area is successful for its pedestrian improvements and its public markets.

Ferry Plaza did not receive significant improvements from either of these projects. It certainly has the potential to be a world-class waterfront place. Its

current functions, in addition to public access, are providing the Ferry Building with vehicle loading space, trash service and emergency vehicle access, the very popular Saturday farmer's market, BART maintenance access, vehicle access to the restaurant on the east edge of the plaza, and ferry passenger access to Golden Gate facilities.

The current configuration of the plaza has several key faults. It allows vehicles to circulate in the most valued pedestrian spaces along the edge of the ferry building and adjacent to the water, requires vehicles and pedestrians to compete for the same central plaza space, and provides little in pedestrian amenities.

Ferry Plaza is currently held in three Port leaseholds: the Ferry Building, Golden Gate Ferries, and Ferry Plaza Limited Partnership. Having three leaseholds make plaza improvements challenging to coordinate. A proposal by Equity Office Properties is also shaped by the Port and BCDC staff, has similarities to the Port's approach to drafting standards to improve the function of the Embarcadero Promenade in that it takes a light touch to clean up, organize, and define how all the different uses of the plaza could be best accommodated.

For starters, it defines how pedestrians would have exclusive use of the most valued public spaces along the east promenade of the building and along the south promenade, which is currently a driveway and a narrow walking area. In addition, a new public deck would be constructed. Vehicles for service and drop-off would be limited to a central area, which would also be event space. The plaza deck would be a slightly elevated area, so it becomes a destination. The Gandhi statue would be relocated into the plaza area. It would provide seating with a stepped edge. It would also have large, approximately 20-foot long picnic tables on it for family-style gatherings for picnics, eating farmer's market food, and for appearing as a pedestrian destination on the plaza.

Vehicles would be limited to the designated areas, largely away from the public edges. The central area would be a multipurpose event/farmer's market space, or it would be used for parking and valet service when not used for an event. It's first set up to function efficiently for the farmer's market and proposed events that could occur within the plaza. Parking would be an interim use, it could fit a valet-type use, likely for four to six years. The parking revenues would be used to pay for the estimated $900,000 for the described pedestrian improvements.

Regarding the demand for parking, currently Pier ½ is permitted for 83 spaces but since June 2008 has not been used due to structural failure. Since that time, the Ferry Building has experienced a 5 percent drop in retail sales. Although retail has decreased throughout the City during this period, this amount is greater than in other areas of the waterfront.

Adavant Consulting prepared a parking and demand analysis for the Ferry Building in 2008 before Pier ½ closed and found that during peak times, the area had a 87 percent occupancy rate, which under scenarios with anticipated new development is expected to reach 99 percent. A functional, effective parking capacity is considered to be about 90 percent. Bringing the occupancy rate in the area down to 95 percent would require about 250 new parking spaces.

The 65 interim spaces in Ferry Plaza would serve the retail tenants of the Ferry Building when not needed for the farmer's market or special events. However, the overall parking in the Ferry Building area would decrease due to the eventual removal of Pier ½, which is anticipated in the Downtown Ferry Terminal BCDC permit, and also the likely removal of parking around Sinbad's restaurant as the terminal berthing and passenger facilities are expanded.

In addition to the pedestrian improvements described today and definition of vehicle areas, there would be a number of bicycle-related improvements. The San Francisco Bicycle Coalition would begin bike valet parking on Saturday farmer's market days. This would occur in the Ferry Plaza area. It's due to alleviate the very high rate of theft that occurs during that time, the highest in the city. They would operate this with temporary barricades in the south end of Harry Bridges Plaza and coordinate with Equity Office Partners for storage of the barricades.

Port staff is proposing to pursue a kiosk-type bicycle rental vendor in the area between the lagoon and Embarcadero Promenade. This vendor would occupy the space only during business hours and completely vacate it at the end of the day, similar to how it's being done in front of the Hyatt on Market Street currently. Additional bicycle racks would also be provided at Ferry Plaza.

Other proposed improvements as part of this plan in the Ferry Building area to better manage transportation include managing the entrance to the Ferry Plaza at the Embarcadero, with an active parking availability sign and relocation of motorcycle parking in that vicinity to meters on adjacent streets. There's also a variety of other parking and management projects that the Port has recently done or is in the process of implementing, which include parking garage validation, shuttle service, directional signage, off-street farmer's market truck parking, an F Line service study, and improved efficiency on nearby streets.

All of the described improvements are being done in consideration of the upcoming Downtown Ferry Terminal planning projects we're undertaking with the Water Emergency Transportation Authority. The arrangement of the pedestrian deck on the plaza, the layout of parking, the bicycle facilities, all are easily moveable should we find there's a better way to meet these needs.

Ferry Plaza is being designed first and foremost for the pedestrian and event uses, and should include the farmer's market, that are here now but have the potential to be much more interesting for the city and for our waterfront visitors.

Our next step includes an upcoming presentation to the waterfront design advisory committee and BCDC's design review board on January 11, 2010 followed by presentation to the Port's citizens advisory committees and various neighborhood groups. After receiving input on the proposed improvements, the Ferry Plaza plan will return to the Port Commission for consideration, including any changed or new agreements, licenses, or leases. Additionally, Ferry Plaza's a public access area under the Port's Waterfront Land Use Plan and BCDC's Special Area Plan, and this proposal is subject to BCDC review and permitting.

Today's presentation is to seek Commission's permission to start exploring these ideas and terms with Equity Office Partners, Golden Gate Bridge transportation authority, and BART.

Tom Radulovich, executive director of Livable Cities, also representing the San Francisco Bicycle Coalition and their 11,000 members as well as Nature in the City. We're all here today in opposition to this proposal, to turn a plaza, one of San Francisco's most important public spaces, into a parking lot. We've talked at length with your staff about this proposal and sort of why they deem it necessary. We've heard two arguments that, frankly, don't make a lot of sense. One argument is we want to get the Ferry Building and folks using the Ferry Building used to the idea that the parking's going away. Now, the thing is, the parking at the Ferry Building's been away for a year, since Pier ½ was closed. How adding parking back on a temporary basis, having more parking than we have now, is going to get people used to the idea that parking's going away, we have no idea. Maybe it's an intelligence test, and he's failed, but we have no idea why this is going on. In fact, it feels like you're getting people used to the temporary parking after being used to, for a year, there being no parking here. Secondly we're told that it's temporary, pending some permanent solution, but it's not defined what that is. What is going to happen? What is the permanent solution? As we've said numerous times, we think the solution is using those thousands of parking spaces that exist within a few-block radius in Maritime Plaza, in Golden Gateway, in the Embarcadero Building. These spaces are empty most every weekend; they're empty most every evening.

Maritime Plaza should be prioritizing, since it's a City-owned garage, the short-time high-turnover uses that the Ferry Building needs. There's plenty of parking in the neighborhood, and it feels atrocious to turn this public space into a parking lot. It's going to create a lot of conflicts with bicycles, and pedestrians, and transit vehicles using the Embarcadero, and especially Herb Cain Way. You're going to have a lot of vehicles crossing. Frankly we've been glad of the disappearance of Pier ½ because people don't queue in the bike

lane any more. They may again. So you're inviting a set of conflicts back that have been gone away for a year, and diminishing access for the sustainable transportation modes. We're also putting off a permanent solution to the Ferry Plaza. I think we all agree this should have world-class public spaces around it. It should be an incredible destination -- not a parking lot, but a plaza. The idea about these kinds of temporary uses -- kind of God knows how long they'll stay around because temporary parking tends to stick around and develop a constituency. We'd like to see the Port go right to the permanent solution. Let's design the world-class public spaces that we should have around the Ferry Plaza. Let's not play around with parking on the Ferry Plaza that diminishes it as a public space, but let's create a truly great one. We urge the Commission to send this back and ask your staff to work with us on permanent solutions.

Ernestine Weiss agrees with Tom whole-heartedly. We don't need parking on Port property. This should be a beautiful trailway like we're trying to organize along all the trails, as park and open space. So here we are with cars again? We can have valet parking. You can have many other things and there's plenty of space on the weekends when it's the busiest for the farmer's market. How can you be compatible with pedestrians and cars on the small parking lot behind here, Ferry Plaza? It's impossible. It's dangerous. It's not nice. Use the shuttles and so forth and don't do parking, please. It would be ugly. Pedestrian and event priority should take place. It should be number 1. We don't want to destroy the Port. We want to build it into a beautiful refuge for the people to relax and have fun. So no parking here, please. This is not the way to go. Let's design a recreational passage park area where people can really enjoy it -- the neighboring people, and the tourists, and the farmer's market people need to walk around comfortably. It's really dangerous, if you're going to have cars in the mix. No cars on Port property. Let them go on the land-side. They're begging you for business with Embarcadero 1, 2, 3, and 4. Golden Gateway, can give you space, the Golden Gateway Garage. There's no necessity to have cars.

Jane Connors, property manager for the Ferry Building, indicated that that the Port shares their commitment to the success of the waterfront. We appreciate the patience and the diplomacy the Port's waterfront development department has extended to the Ferry Building tenants, the farmer's market, and management staff during the past 18 months. In those 18 months, the dialog has been focused on making the back plaza a more efficient and better place. She thanked the stakeholders of the back plaza. CUESA, Golden Gate Ferry, and Ferry Plaza Limited Partners have all written letters of support for the proposed improvements. There is so much that works at the Ferry Building. The renowned marketplace, access to the waterfront, the farmer's market, office tenants who are appreciative not only of the address but of the mission we have been tasked by the Port to do, which is to bring people to the waterfront. There is room for improvement: a long-term viable plan for parking, enhanced public transportation, more seating, deliveries off the Embarcadero, and secure bike parking to support the waterfront's new uses.

As the Port Commission consider these proposed improvements, please consider them as a step to making the back plaza a better place for all stakeholders on the plaza, including the visitors to and residents of San Francisco.

Keith Saggers, pedicab owner and a member of the Bicycle Coalition, thanked staff for the proposed bicycle improvements. The Port needs to disengage itself from waterside parking. The Port has a Waterfront Plan that says parking is a non-acceptable use of Port property. It pollutes the Bay and disrupts the bicycle paths. It also hides views of the Bay. It is not a good use of Port employees' time to have them place pink notices on illegally parked cars cver and over again. Please disengage yourself from parking on the waterfront. It is unnecessary and a waste of resources.

Dave Stockdale, director of CUESA, the non-profit that operates the Ferry Plaza farmer's market, echoed Jane Connors' comments. She expressed their views. As a subtenant, we are one of many users, and there are many stakeholders in this particular site that need to be accommodated. He and his organization particularly like the design and the direction it's evolving because it provides for a separation of these uses. It actually enhances the pedestrian use, creates and celebrates public space with a platform, permanent gathering spaces, and actually provides for greater safety by separating some of the current uses because it really is being used in these ways already. We're looking at new designs; new approaches to use it more effectively than we have been so that all of us operating businesses in this area can continue to survive. We want fewer cars too, but the reality is some of our customers do still come in cars, and that is an important way and an important service we have to provide them -- the access for those for whom that is their mode of transportation.

Commissioner Shakofsky asked about the timeline on this proposal from EOP.

Jonathan Stern replied that we've been working with EOP since Pier ½ closed. The presentation that Dan made showed that one of the things we've done is to step back and say that this isn't just about cars, as Dave and Jane both mentioned. There are activities that need to occur to support all the users in the Ferry Building area. With regard to the timeline, if all goes well, we will be going to the WDAC or design review committee in January, and we will be coming back to the Commission in early 2010. That being said, we have not yet hammered out anything resembling a lease, or business terms, or the multiple accommodations that have to be made. Basically every user we just mentioned has some easement on Ferry Plaza. We'd like to be optimistic that we can untangle that quickly. We also have a deadline coming soon where PUC is going to start construction on the sewer lines in the area as early as May. They'll need to start digging up part of Seawall Lot 351. There will be a loss of up to 40 parking spaces so there is some urgency to

having some short-term. The reality is when this could come back to the Commission for approval is still unknown.

Commissioner Shakofsky indicated that we've been talking about this issue for at least a year and a half and that we've had an education campaign to try to drive parked cars to the existing lots that are within a block or so of the Ferry Building. Do we have any feedback on the success of that?

Jonathan Stern replied that we have an ongoing campaign where we've redone all of the transportation map. We've had them available for CUESA volunteers to hand out. At the beginning of the closure, we were very active about handing that out. We made additional validation relationships. For those that are easy to track, we found there was an early bump, but as it happens there hasn't been a sort of sustained growth in people using those identified resources. People are making do the best they can. The biggest thing that we've done has to do with the farmer's market on Saturday, although it's a solution, i.e. specifically, we are getting pretty good validated use at the Golden Gateway Garage, 1 Maritime Plaza, specifically because we're getting early farmers and farmer's workers using that validated system, which makes the parking they might have otherwise grabbed available for customers. Up to now we've only been able to do very incremental steps, and we think this is a package where we can take another step that's a little more than incremental, but do a number of other things to help and rationalize what's happening in the back plaza.

Commissioner Lazarus asked what's going on with the World Trade Center.

Jonathan Stern replied that there have been a number of people who've come and looked at assuming or buying that lease and kick the tires.

Susan Reynolds, deputy director for real estate, indicated that the current lease for the FPLP property extends until 2040 and Mr. Tom is the holder of the lease. He's currently in negotiations with a partnership. They are doing a due diligence. Part of that due diligence is looking at their substructure responsibility; looking at future parking opportunities at the Plaza, whether they will be there or whether they won't be. She put in a follow-up call into one of the partners to find out how they're doing with their due diligence. This is probably the third viable partnership that has looked at the facility. One of the partners has done development in Southern California on a municipal pier, so he's familiar with working with a public entity. He worked with the Coastal Commission; he's worked with a lot of the regulatory agencies. So we were hopeful that partnership would go forward and open the facility as a complement to what goes on within the Ferry Building. She will keep the Commission abreast as to how their due diligence comes out.

11. ENGINEERING

A. Request adoption of the San Francisco Stormwater Design Guidelines and Recommendation of Stormwater Ordinance to the Board of Supervisors. (Resolution No. 09-75)

John Mundy, engineering division, thanked the following key stakeholders who are in the audience today: SPUR, Gatekeeper, the Clean Water Action Group, the Sierra Club, and Literacy for Environmental Justice. He thanked the project team: Sarah Minick and Rosey Jencks of PUC and David Beaupre of the Port Planning Division. Included in the Commission packet are some ceremonial copies of the guidelines document. We hope that you're as inspired in reading this document as we were in creating it. The project team entered into this project in the hope of contributing to a framework for sustainable development along the waterfront and throughout the city. Our goal is to create a tool that would inspire designers and architects to use stormwater management to enhance the urban environment and make better use of our water resources.

We've had great luck with recent pilot stormwater management projects. We got the Eco Center at Heron's Head Park. We got Bode Concrete, which recently won an award from the California Water Environment Association for Stormwater Management. We have Cemex, and most recently we're working with the Exploratorium on doing rainwater harvesting as part of their new construction at Piers 15 and 17. Now the project team is nearly finished with our planning effort, we look forward to implementation. We are honored to have the mayor's support in this effort, and we look forward to the Commission's support as well.

Tom Radulovich commended staff on this document. This is something that, unlike parking, the Port is doing something very progressive and is showing great leadership. He commended staff on bringing this forward, both the policy and the detailed guidelines, the ordinance. He urged the Commission to support it. It's a great, great, great thing that the Port's doing. We'd like to see more along these lines.

Laurie S. thanked the Commission for supporting the staff efforts to design this package. She is the project manager for the Eco Center at Heron's Head Park; the project that we never thought would go anywhere is actually looking pretty good. She represents District 10 for the Citizen's Advisory Committee for the SWAC. She works in the neighborhood, she's a resident, and she's extremely happy about everything that's happening. The Port is the agency that should be most empowered to advance and create sustainable design standards as it stewards lands that are at the very front line of climate change. The Stormwater Design Guidelines represent a concerted effort to establish a benchmark best practice, which will help mitigate the climate impacts that are quickly to come and overcome us. This is a vanguard document that we need to firmly endorse and operationalize. It's very important that we operationalize this document in the very short run. She commended the efforts of John Mundy, and his staff, and the PUC for this

really incredible, forward-thinking package. She thanked John because in part due to his support, Literacy for Environmental Justice's Eco Center was able to leverage $350,000 to specifically fund the low-impact development solutions at our building. She looks forward to having the Commission and staff come down this spring and celebrate with them. There is funding out there. We need to make sure that we get these guidelines endorsed so we can move on garnering more of the funding. Ruth Gravanis has had to leave, but she wanted to say something on behalf of the Sustainable Watersheds Alliance, or otherwise known as SWALL. She would like to state that the Port Commission should be very proud of the work that the staff have done to implement environmentally sustainable low-impact projects in the backlands. She is proud of the participation of John Mundy and other Port staff in creating the stormwater guidelines. SWALL urges the Commission to approve the stormwater ordinance. Ruth wants to encourage the Commission to support these documents.

John Mundy commented that staff is not asking the Commission to approve this ordinance, only to recommend it to the Board of Supervisors.

Jennifer Clary, Clean Water Action, thanked the Port for showing leadership. Ten years ago the Port agreed to do a stormwater plan for the southern waterfront, and so often you do with plans, and they end up on the shelf. She realized that the Port was changing when John Mundy came to a meeting, and he had the stormwater management plan in his hand, and it was full of post-its. They knew that it was actually a useable plan. The Port has remained a leader on this issue, and adopting the stormwater guidelines and recommending the ordinance to the Board of Supervisors is a next step. She thanked the following staff who worked so hard on this: Diane Oshima, Monique Moyer, and particularly John Mundy. They have done a really good job. They should be proud of the leadership they've shown.

Ms. Clary indicated that Corinne Woods had to leave early but she wanted to say on behalf of the Mission Creek folks that she's very supportive of the guidelines and the ordinance as well.

Commissioner Stephanie Shakofsky indicated that she's a hydrologist, her actual day job. She is so proud of this document. It's a beautiful document. It's well illustrated. The photos are gorgeous, and you can actually read it. You can read; you can understand what you're supposed to do. She applauds staff because she's read a lot of these documents over the years and this is by far the most readable document she's come across with. She complimented staff for the approach undertaken to the stormwater design. It's an issue that we've all been dealing with for 30 years. The emphasis on the low-impact design in this document is super-smart, a really thoughtful, and smart way to go. The design and the readability of it are just beyond anything she's ever seen in the stormwater design world. We should get this more widely distributed, and she' sure we'll hear more from others. She asked about who came up with the word "operationalize." She asked how we will

make this operational as we get projects over 5,000 square feet. These are guidelines we'll provide the developer, but how do we operationalize it?

John Mundy replied that we have already brought our building permit group into the loop. We have staff, like him, who are able to review the stormwater control plans as they come. As necessary, we can bring in the support of consultants to help review designs, and there's enough familiarity, interdepartmentally given that we've had about a two-and-a-half-year process to disseminate the concept of stormwater control interdivisionally. Folks are ready. We're doing it. We're doing it this week with Exploratorium. We're meeting the Department of Building Inspection tomorrow to go over the conceptual plans for the stormwater harvesting units out there. We feel like we're ready to go.

Commissioner Stephanie Shakofsky asked if this document has been distributed to all the water boards in the state or the state water board, at least.

John Mundy replied that the previous draft to this document was sent to the regional water quality board for review and comment. We've gotten good feedback from them. They want to see the ordinance passed as quickly as possible because, of course, they're regulators, and they want to see us regulate. That's one of the reasons we're here today to urge movement of the ordinance. We're getting positive feedback from the regulators.

We plan on publishing a set of these documents for distribution to a broader range of stakeholders, the regulatory community and the design community. We're looking to get broader acknowledgement of this as a cutting-edge planning effort that maybe provides example for the rest of the country. As a side note, we actually got a request from the City of Barcelona to cite our document.

Commissioner Hardeman commented that we really must go over and show them how to do this!

John Mundy indicated that he was hoping Monique might send him there on a business trip. Monique Moyer replied to start with Sacramento, then build up from there. John Mundy added that the document's getting play within the planning and design community already. We're very happy to see that.

Commissioner Stephanie Shakofsky congratulated Mr. Mundy for beautiful job.

Commissioner Brandon commended the wonderful teamwork between City departments. This is an amazing vision that shows San Francisco's commitment to sustainable development. She can't wait to see this implemented along the southern waterfront. She thanked Mr. Mundy for his efforts on this project.

Commissioner Hardeman commented that we are not the Assembly of the Legislature who had 22,000 abstentions this last year. We have to vote. Somebody has to explain to him, in reading the paper this morning, why the Legislature abstained 22,000 from voting. Yet San Francisco commissioners are not allowed to abstain. Isn't that an oddity?

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor. Resolution No. 09-75 was adopted.

12. NEW BUSINESS

Monique Moyer indicated that the forward calendar is attached to the agenda, and that we're going to get off to a fast start with our budget and 10-year capital plan, and we're going to do it without Tina. So we'll be looking forward to that conversation in February, and we have quite a few things to talk to the Commission in January.

13. PUBLIC COMMENT

John Kalterstein, Friends of the Earth, indicated that first he'd be remiss if he didn't note that this week is the beginning of the Copenhagen discussion in Denmark. His colleagues would give him a hard time if he didn't ask what the Port was up to with regard to CO2 reductions. Specifically, he remembers reading something about an International Association of Port Authorities Climate Summit in Europe, and he believes the Port of San Francisco was an honorary member. He asked what kind of commitments that exactly means. Shipping is a significant part of the CO2 profile of the world. It's a little over 3 percent, so it is significant and he's curious about that. Secondly, he wanted to talk a little about cruise ships. Obviously, they're a very important economic factor for the San Francisco Bay area, but they also bring in a fair amount of pollution. He's very interested to develop, perhaps, some kind of criteria or standards that would bring in the cleanest cruise ships. One of the problems that we face, especially in this area, is particulate matter emissions and also emission of other toxic air contaminants. Because we don't have shore power, which he knows is coming online, we're exposed to these contaminants at a very significant rate. California experiences 1,000 premature mortalities a year based on ocean-going vessel emissions, which is rather significant. Shore power is a great way to cut down on those emissions and keep them outside of our ports and berth areas where they can do the most damage. Friends of the Earth has come out with a report card recently that has certain criteria based on advanced wastewater treatment, shore power, and other factors that really can gauge the capacities of cruise ships coming in. We think that would be great. We know shore power has been done. Juneau and Seattle do it. Port of San Francisco is a great port; we should do it as well. He'd be happy to talk to staff about this. We're really well versed in this area.

Commissioner Hardeman wished everybody Happy Holidays, Merry Christmas, Happy New Year, and especially, our San Francisco Government TV folks that are here and to everybody who is actually watching this meeting at home, Happy Holidays.

14. ADJOURNMENT

ACTION: Commissioner Lazarus moved approval to adjourn the meeting; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

Commission President Rodney Fong adjourned the meeting at 5:45 p.m.

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